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Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued March 25, 1955
For actions of March 24, 1955
84th-1st, No. 53

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HIGHLIGHTS: See last page of Digest.

HOUSE

1. APPROPRIATIONS. Passed with amendment H. R. 5085, the Department of the Interior and Related Agencies Appropriation Bill for 1956 (pp. 3098-3114). Rejected an amendment by Rep. Gavin to add \$400,000 to the funds for State and private forestry cooperation (pp. 3112-4). For provisions of this bill as reported see Digest 50.

Rep. Rayburn questioned whether the placement of the Forest Service appropriation in this bill "is an entoring wedge to transfer the Forest Service from Agriculture to Interior," and stated that he is opposed to such a transfer. Several Members discussed the pros and cons of the placement of this appropriation in the Interior bill. (pp. 3099-3100, 3107-8, 3112-4). Several Members commended items for FS, watershed protection and research, salt-water research, soil and moisture program of the Bureau of Land Management, and study of black-bird control (pp. 3101-3, 3109-12).

The Appropriations Committee was authorized to have until midnight Sat., Mar. 26, to report the Independent Offices Appropriation Bill for 1956 (p. 3096).

2. AGRICULTURAL APPROPRIATION BILL, 1956. The Appropriations Committee was authorized to have until midnight today, Mar. 25, to report this bill, and Majority Leader McCormack announced this bill is to be debated on Mon. (pp. 3096, 3139).

3. TOBACCO. Passed as reported H. R. 4951, to redetermine the national marketing quota for burley tobacco for the 1955-6 marketing year. The bill as passed includes provisions of three other bills: H. R. 4756, relating to history credit for excess acreage; H. R. 4757, relating to the filing of false reports; and H. R. 4989, increasing the marketing penalty. (pp. 3130-8.)

Rejected, 30-54, an amendment submitted by Rep. Burnside to increase the exemption from acreage reduction from five-tenths of an acre to seven-tenths of an acre (pp. 3135-7).

Rejected, 44-71, an amendment submitted by Rep. Bass to increase the exemption from acreage reduction from five-tenths of an acre to six-tenths of an acre (pp. 3137-8).

Rejected a motion offered by Rep. Kilburn to recommit the bill (p. 3138).

4. SURPLUS COMMODITIES. The Agriculture Committee ordered reported S. 752, to amend the Agricultural Trade Development and Assistance Act (Public Law 480, 83rd Cong.), so as to eliminate the requirement that privately owned stocks exported thereunder be replaced from CCC stocks (p. D246).
5. FARM LOANS. The Committee on Veterans' Affairs reported without amendment H. R. 5106, to amend the Servicemen's Readjustment Act of 1944, so as to authorize loans for farm housing to be guaranteed or insured under the same terms and conditions as apply to residential housing (H. Rept. 299) (p. 3148).
6. DAIRY PRODUCTS. Rep. Laird commended the U. S. cheese industry for their positive program of promoting the sale and consumption of American cheese and urged the passage of H. R. 252, a bill to provide standards governing imported food products (p. 3097).
7. ORGANIZATION. Rep. Patman criticized the Hoover Commission, stated "we should not permit it to be extended," and inserted correspondence he had with Herbert Hoover concerning the functions of the Commission (pp. 3140-2).
8. TARIFFS. Rep. Lankford expressed concern over proposed increased duties on Swiss watches and stated that the reason for his concern is "the fact the Swiss are the largest purchasers of high-grade Maryland export tobacco" (pp. 3142-5).
9. BANKING AND CURRENCY. Received a report on the audit of Export-Import Bank for the fiscal year 1954 (H. Doc. 116); to Government Operations Committee (p. 3148).
10. ADJOURNED until Mon., Mar. 28 (p. 3139). Legislative program for next week as announced by Majority Leader McCormack: Mon., the Agricultural Appropriation Bill for 1956, to be followed by bill to increase penalties under the Sherman Antitrust Act (which may be carried over until Tues.); Wed., the Independent Offices Appropriation Bill for 1956; Thurs. and Fri., undetermined; and "if a rule is reported and other conditions permit, the postal pay raise bill will be brought up during the week" (p. 3139).

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued
For actions of

March 21, 1955
March 25, 1955

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HIGHLIGHTS: House committee reported USDA appropriation bill. President approved bill to continue Reorganization Act. Senate passed Federal pay increase bills.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL, 1956. The Appropriations Committee reported without amendment this bill, H. R. 5239. The bill is to be debated today, and it is expected that there will be only one day of debate.

Representatives of the Department agencies have been advised in detail of the Committee's actions on the estimates for the Department. Copies of the bill, committee report, and hearings will be distributed directly to the agency budget offices, as soon as received, pursuant to a distribution list that has been worked out with the Department agencies. The agencies will receive the material at the same time this office will receive it. The material will not be distributed from this office. In general, copies should be obtained from the agency budget offices rather than from this office.

At the end of this Digest is a summary comparison of the Committee actions with the 1956 estimates and with total anticipated funds available in 1955.

2. TAXATION. Conferees agreed to file a conference report on H. R. 4259, to provide a 1-year extension of the existing corporate normal-tax rate and of certain existing excise-tax rates. The conferees agreed to accept the Senate version of this bill, eliminating the provision passed by the House to provide a \$20 tax credit against individual income tax for each personal exemption. (p. D252.)

SENATE

3. PERSONNEL. Passed with amendments S. 67, to increase the pay of certain Federal employees, after agreeing to a committee amendment, as amended (in the nature of a substitute), which would set up a new compensation schedule for GS and CPC employees and give an average salary increase of 10% (pp. 3174-82).
 Agreed to a Sen. Byrd amendment (to the committee amendment) to make the increase effective on the first day of the first pay period following enactment of the bill (p. 3177).
 Rejected a Sen. Carlson amendment to substitute for the text of the bill the provisions of S. 1490, which would provide an average 6% salary increase (pp. 3180-1).
- Passed with amendments, 72 to 21, S. 1, to increase postal employees pay rates by 10% or \$400, whichever is greater (pp. 3157-74). (The pay increase would be effective on the first day of the first pay period following enactment of the bill.)
4. TAXATION. Agreed to the conference report on H. R. 4259, to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates (p. 3187).
5. ORGANIZATION. The Legislative Reporting Staff has obtained a supply of a committee print of a report by the Committee on Government Operations, "Organization of Federal Executive Departments and Agencies" (Committee Report No. 15). The report includes details of organizational changes during 1954, an outline of organization of departments and agencies, significant changes in personnel, references to authority for the agencies, a summary of agencies' activities, etc.
6. BANKING AND CURRENCY. Received an audit report on the Export-Import Bank of Washington for the fiscal year 1954; to Government Operations Committee (p. 3152).
7. SOIL CONSERVATION. Received an Interior Department letter "certifying that an adequate soil survey and land classification has been made of the lands to be benefited by the Helena Valley unit, and that the lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation;" to Interior and Insular Affairs Committee (p. 3152).
8. FLOOD CONTROL; ELECTRIFICATION; EDUCATION; INFORMATION. Received an Ark. Legislature resolution urging appropriations for construction of Greers Ferry Dam and Reservoir, and a Mass. General Court of the Commonwealth resolution favoring immediate passage of legislation for the development of fine arts programs and projects (p. 3152).
9. APPROPRIATIONS. S. Doc. 20 (Mar. 23) is a supplemental appropriation estimate of \$13,000,000 additional to the Labor Department for unemployment compensation for Federal employees. The Budget Bureau letter states, "When the existing appropriation of \$10,000,000 was made . . . there had been no experience on which to base an estimate of requirements. Based on experience since the program became effective on January 1, 1955, it now is estimated that requirements for benefit payments to participants will amount to \$23,000,000 for the fiscal year 1955."

UNITED STATES DEPARTMENT OF AGRICULTURE

House Committee Bill, 1956, Compared with Appropriations and REA and FHA Loan Authorizations, 1955,
and with Budget Estimates, 1956[Note.--Amounts for 1955 include all supplemental appropriations to date and are adjusted
for comparability with the appropriation structure proposed in the 1956 House Committee Bill.]

Agency or Item	Appropriations: and Loan	Budget Estimates, 1956	House Committee Bill, 1956	Increase (+) or Decrease (-),	
				House Committee Bill, 1956,	Compared with
	Authorizations: 1955			Appropriations: and Loan	Estimates, 1956
				Authorizations, 1955	Budget Estimates, 1956
ANNUAL APPROPRIATIONS FOR REGULAR					
ACTIVITIES:					
Agricultural Research Service:					
Research, disease and pest control, and meat inspection	a/ \$70,236,579:	\$71,163,000:	\$70,975,000:	+\$738,421:	-\$188,000
Payments to State Experiment Stations	19,453,708:	24,753,708:	24,753,708:	+5,300,000:	- -
Extension Service (principally pay- ments to States)	43,537,500:	49,337,500:	48,895,000:	+5,357,500:	-442,500
Forest Service	b/ 84,816,690:	83,733,000:	84,936,690:	+120,000:	+1,203,690
Soil Conservation Service	74,453,871:	75,396,200:	80,612,579:	+6,158,708:	+5,216,379
Agricultural Conservation Program Service:					
Appropriation	191,700,000:	250,000,000:	214,500,000:	+22,800,000:	-35,500,000
Less estimated reduction due to availability of balances under the 1953 program	- -:	-34,000,000:	- -:	- -:	+34,000,000
Net appropriation	191,700,000:	216,000,000:	214,500,000:	+22,800,000:	-1,500,000
Agricultural Marketing Service:					
Marketing research and service	23,140,155:	23,396,000:	23,791,000:	+650,845:	+395,000
School lunch program	33,236,197:	68,000,000:	83,236,197:	- -:	+15,236,197
Foreign Agricultural Service	2,515,000:	3,365,000:	3,365,000:	+850,000:	- -
Commodity Stabilization Service:					
Agricultural adjustment program ...	41,250,000:	39,000,000:	39,000,000:	-2,250,000:	- -
Sugar Act program	59,600,000:	61,600,000:	59,600,000:	- -:	-2,000,000
Federal Crop Insurance Corporation .	6,000,000:	6,000,000:	6,000,000:	- -:	- -

Rural Electrification Administration :	:	:	:	:	:	:	:	:	:
(Salaries and expenses)	:	7,285,000:	:	7,680,000:	:	7,680,000:	:	+395,000:	- -
Farmers' Home Administration (Salaries and expenses)	:	23,550,000:	:	24,500,000:	:	24,500,000:	:	+950,000:	- -
All other	:	7,171,950:	:	7,340,550:	:	7,198,950:	:	+27,000:	-141,600
Total, Annual Appropriations for Regular Activities	:	737,946,650:	:	761,264,958:	:	779,044,124:	:	+41,097,474:	+17,779,166
Reconciliation to table in House. Committee Report:	:	:	:	:	:	:	:	:	:
Deduct amounts for Forest Service	:	-84,816,690:	:	-83,733,000:	:	-84,936,690:	:	+120,000:	+1,203,690
Add estimated reduction proposed in the Budget under the Agricultural Conservation Program due to availability of balances:	:	- -	:	+34,000,000:	:	- -	:	- -	-34,000,000
Total, Annual Appropriations for Regular Activities From General Fund of the Treasury as shown in House Committee Report	:	653,129,960:	:	711,531,958:	:	694,107,434:	:	+40,977,474:	-17,424,524
RESTORATION OF CAPITAL IMPAIRMENT, COMMODITY CREDIT CORPORATION	:	d/ 550,151,848:e/	:	1,634,659:e/	:	1,634,659:	:	-548,517,189:	- -
CORPORATE ADMINISTRATIVE EXPENSE LIMITATION: COMMODITY CREDIT CORPORATION	:	25,290,000:	:	26,000,000:	:	26,000,000:	:	+710,000:	- -
SPECIAL ACTIVITIES:	:	:	:	:	:	:	:	:	:
Research on strategic and critical agricultural materials	:	331,500:	:	300,000:	:	300,000:	:	-31,500:	- -
Appropriations for repayment to Commodity Credit Corporation for authorized programs in 1953 and 1954:	:	:	:	:	:	:	:	:	:
Eradication of foot-and-mouth and other contagious diseases of animals and poultry	:	d/ 2,064,060:	:	5,788,897:	:	5,788,897:	:	+3,724,837:	- -
International Wheat Agreement	:	d/ 129,553,795:	:	57,378,551:	:	57,378,551:	:	-72,175,244:	- -
Emergency famine relief to friendly peoples (Public Law 216, approved August 7, 1953)	:	- -	:	9,676,628:	:	9,676,628:	:	+9,676,628:	- -
Emergency feed assistance in disaster areas	:	- -	:	42,100,000:	:	42,100,000:	:	+42,100,000:	- -

Transfer of wheat to Pakistan	:	:	:	:	:	:
(Public Law 77, approved June 25,	:	:	:	:	:	:
1953)	:	:	:	:	:	:
Total, Special Activities	:	- -	69,273,881:	69,273,881:	+69,273,881:	- -
PERMANENT APPROPRIATIONS:	:	131,949,355:	184,517,957:	184,517,957:	+52,568,602:	- -
Removal of surplus agricultural com-	:	:	:	:	:	:
modities (30 percent of customs	:	:	:	:	:	:
receipts)	:	:	:	:	:	:
All other permanent appropriations	:	180,091,952:	168,000,000:	168,000,000:	-12,091,952:	- -
Total, Permanent appropriations	:	26,915,370:	26,162,300:	26,162,300:	-753,570:	- -
Deduct permanent appropriations for	:	207,007,822:	194,162,300:	194,162,300:	-12,845,522:	- -
the Forest Service	:	-26,525,370:	-25,572,300:	-25,572,300:	-953,570:	- -
Total, Permanent appropriations in	:	:	:	:	:	:
House Committee Report	:	180,481,952:	168,590,000:	168,590,000:	-11,891,952:	- -
LOAN AUTHORIZATIONS:	:	:	:	:	:	:
Rural Electrification Administration	:	:	:	:	:	:
Loans	:	f/ 210,000,000:	g/ 230,000,000:h/ 235,000,000:	235,000,000:	+25,000,000:	+5,000,000
Farmers' Home Administration Loans	:	153,000,000:	147,000,000:	153,000,000:	- -:	+6,000,000
Total, Loan Authorizations	:	363,000,000:	377,000,000:	388,000,000:	+25,000,000:	+11,000,000

a/ Includes \$500,000 provided in the Second Supplemental Appropriation Bill, 1955, as passed by the House, for control of outbreaks of insects and plant diseases.

b/ Includes \$2,570,000 provided in the Second Supplemental Appropriation Bill, 1955, as passed by the House, for control of spruce budworm in Oregon, Idaho, Montana, and New Mexico.

c/ House Committee Bill authorizes the formulation of a 1956 crop year program amounting to \$250,000,000 (Budget Estimate \$175,000,000).

d/ Represents cancellation of CCC notes in 1954.

e/ Restoration of capital has been accomplished in prior years on basis of the valuation of assets as of June 30 of each year. P. L. 312 approved March 20, 1954 provides for determination of capital impairment in the future on the basis of realized losses. The estimate of \$1,634,659 represents the unrecovered realized losses of the Corporation as of June 30, 1954.

f/ In addition, Act provided a contingency reserve of \$35,000,000 for rural electrification loans. Including the carry-over of funds from prior years, it is estimated that loans totaling \$240,000,000 will be made in fiscal year 1955, as follows: Rural electrification, \$165,000,000; rural telephone, \$75,000,000.

g/ In addition, the Budget proposed a contingency reserve of \$35,000,000 for rural electrification loans for use only if legislation eliminating present requirements for allotments among States is not enacted. Including the carry-over of funds from prior years, it is estimated that loans totaling \$265,000,000 will be made in fiscal year 1956, as follows: Rural electrification, \$185,000,000; rural telephone, \$80,000,000.

h/ In addition, for rural electrification loans, the House Committee Bill provides a reserve authorization of \$100,000,000. House Report (page 24) states that "the amount recommended, together with an estimated carry-over of \$21,000,000 and probable rescissions of \$4,000,000 will make a total of \$185,000,000 available for electrification loans during the coming year, exclusive of the contingent fund provided in addition thereto".

[FULL COMMITTEE PRINT]

NOTICE.—This report is given out subject to release when consideration of the bill which it accompanies has been completed by the whole committee. Please check on such action before release in order to be advised of any changes.

84TH CONGRESS <i>1st Session</i>	}	HOUSE OF REPRESENTATIVES	}	REPORT No. —
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DEPARTMENT OF AGRICULTURE AND FARM CREDIT
ADMINISTRATION APPROPRIATION BILL, 1956

MARCH 25, 1955.—Committed to the Committee of the Whole House on the
State of the Union and ordered to be printed

Mr. WHITTEN, from the Committee on Appropriations, submitted the
following

R E P O R T

[To accompany H. R. —]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year 1956. The bill covers all estimates contained in the 1956 Budget, pages 180 through 192, and 342 through 441.

The bill includes direct annual appropriations for regular activities of \$694,107,434; loan authorizations for the Rural Electrification Administration and the Farmers Home Administration of \$388,000,000; an administrative expense authorization for the Commodity Credit Corporation of \$26,000,000, together with an appropriation of \$1,634,659 for restoration of capital impairment; an appropriation of \$184,517,957 for special activities, most of which covers reimbursement to the Commodity Credit Corporation for funds advanced to finance programs authorized by Congress to meet special and emergency conditions; and administrative expense limitations for the Farm Credit Administration of \$6,290,000.

The following summary sets forth the committee action with respect to the various items in the bill:

Item	Approved 1955	Estimates, 1956	Recom- mended 1956	Bill compared with—	
				1955 approved	1956 estimates
Regular activities.....	\$653, 129, 960	\$711, 531, 958	\$694, 107, 434	+\$40, 977, 474	-\$17, 424, 524
Loan authorizations.....	363, 000, 000	377, 000, 000	388, 000, 000	+25, 000, 000	+11, 000, 000
Commodity Credit Corpora- tion:					
Restoration capital impair- ment		1, 634, 659	1, 634, 659	+1, 634, 659	-----
Administrative expenses.....	25, 290, 000	26, 000, 000	26, 000, 000	+710 000	-----
Special activities.....	331, 500	184, 517, 957	184, 517, 957	184, 186, 457	-----
Farm Credit Administration.....	6, 250, 000	6, 290, 000	6, 290, 000	+40, 000	-----

THE SITUATION FACING AMERICAN AGRICULTURE

In approaching the budget for the Department of Agriculture for the coming fiscal year, the committee has been aware of the many serious difficulties facing American agriculture at the present time. Within budget limits, the committee has attempted to provide sufficient funds for those agencies of the Department which can most help the farmer to continue to provide the nation's food and fiber, which give us our high standard of living, and which can continue to encourage efforts to protect the nation's soil and natural resources. The committee recognizes that, in the final analysis, the farmers' net income will determine whether he can continue on the farm and whether he can continue to spend money to protect the nation's resources. It is these factors which cause the committee much concern under present conditions.

While salaries and wages generally have increased in recent years, and while the President is recommending a minimum wage of 90 cents per hour, the income of those Americans engaged in agriculture has been dropping steadily each year. The prices of farm products have declined about 7 percent in the past two years. They have dropped 22 percent since February, 1951. The cost of farming continues to increase, with a 14 percent increase in prices paid by farmers during the past five years. The net farm income in 1954 was down nearly 20 percent from 1951.

As a result of this "price-cost squeeze", the value of United States agricultural assets dropped from \$170.1 billion on January 1, 1952, to an estimated \$162.3 billion on January 1, 1955, a loss of \$7.8 billion, or 5 percent. During this period, the value of farm real estate dropped nearly \$4 billion or 4 percent, and the value of livestock declined \$8 billion, or more than 40 percent. Also, the farm mortgage debt has nearly doubled since 1945.

While a majority of the committee is of the opinion that reduced supports do not meet the basic factors causing the present farm situation, the Secretary of Agriculture now has the flexible price support laws he has requested, and parity levels and formulas are being changed accordingly. The outlook is for still further declines in net farm income in 1955 due to the reduction in acreage of controlled crops and the low prices of nearly all farm products.

While the consumer is getting more and better food for his money than ever before in history, the share of the food dollar going to the agricultural producer is decreasing. Since 1945, the farmers' share of the consumer dollar has gone down from 54 percent to 43 percent. With constantly increasing costs of transportation, processing and distribution, the prospects are that this trend will continue, unless strong efforts are made by Congress, the Commodity Credit Corporation and the Department of Agriculture to halt it. Despite lower prices on the farm, consumer prices on most foods have increased or remained about the same, indicating that the decrease in the share of the consumer dollar going to the farmer is resulting in additional income to the processing and distribution system.

In certain parts of the country, particularly the South, the situation resulting from reductions in acreage allotments is deplorable. A special survey made recently by the Department at the request of the committee shows that, as a result of the Secretary's order curtailing cotton acreage, more than 55,000 farm families in the South have been put off their farms, with no homes and limited employment possibilities. This survey also indicates that some 130,000 farm families, with gross incomes of \$1,000 or less, will suffer further losses of \$100 or more this year. Similar situations exist with regard to other farm commodities in other sections.

The Secretary points out that, with fewer farmers, the gross farm income divided by the number of fewer farmers means the farm picture is brighter than many believe. The committee cannot subscribe to such reasoning.

FAILURE OF COMMODITY CREDIT CORPORATION TO MEET FULL RESPONSIBILITIES

Any analysis of the present situation confronting farmers must start with a thorough study of the Commodity Credit Corporation, the Government's arm established with a dual responsibility to (1) support farm prices within the terms of the law and (2) protect the investment of the Nation's taxpayers, including the American farmers, through sales of commodities acquired.

The agency set up to handle the price support program was established as a corporation in order to give it more latitude to buy and sell, borrow and repay money, sue and be sued, etc. In other words, it was created on this basis so that it would operate on a business-like basis to carry out its responsibility of supporting farm prices and protecting the Government's investment through sales. It is this latter responsibility which has been largely overlooked by the Corporation and those dealing with the subject.

As to the Corporation's authority and obligation to sell, we need only look to its charter, which in section 5 (f) authorizes it to export or cause to be exported, or to aid in the development of foreign markets for agricultural commodities acquired under price-support programs or specifically procured for export purposes. The Charter Act contains no restrictions on the prices for which commodities may be sold by the Corporation for export purposes.

This Corporation has authority to invest up to \$10 billion to support farm commodities. At the present time, it has invested over 7 billions of dollars in such commodities. From this, it must be conceded that the Corporation has discharged its responsibility to support farm commodities as provided by law.

On the other side of the picture, however, there is a serious question whether the Corporation has met its obligation to protect its (the people's) investment.

Testimony before the committee indicates that, while the Corporation has the authority to sell its products in world markets at competitive prices, as of February 1955, nearly \$3.7 billion of such commodities have never been offered for sale abroad at competitive prices. And storage charges are rapidly increasing the Corporation's investment in these stocks.

There is reason to believe that such products could be sold in world markets through normal channels of trade, if an effort were made to do so on a competitive basis. During the past year, largely as a result of the urging of this committee, about \$500 million worth of such commodities were sold for dollars by merely offering them for sale on a competitive basis through United States export traders. Many countries of the world have dollars and are anxious to buy American products at competitive prices.

Under an erroneous decision, the President and Board of Directors of the Corporation have set up a policy of making the American support price substantially the offering price in world markets. As a result, the Corporation is placed in the position of a "residual supplier." This is borne out by the following statement contained in a news release of the Department dated February, 1954:

The present season again finds the United States in the position of residual supplier of cotton to the world, that is, with demand for its exports limited until other exporters have largely sold out.

While the price support law fixes the domestic price of Commodity Credit Corporation sales of basic commodities at the support level plus handling and storage charges, there is nothing in the law applying this same formula to sales abroad. With full authority to sell competitively in world trade, the Corporation and the Secretary, according to his testimony, have set our domestic price as our price in world markets, with relatively minor exceptions. In connection with wheat sold under the International Wheat Agreement, which is an exception, our sales are made on a fixed price level, causing CCC to miss many sales.

The committee feels that a price support system is necessary to offset other United States costs and to enable the farmer to exist along with the other segments of our economy, most of which have protection by law in one form or another. It does not believe that losses on commodities taken over by the Commodity Credit Corporation, which have been greatly increased by failure to sell, should be used to discredit such a valuable part of the broad farm program of this country.

The Congress authorized sales in world trade at such price as it might take to move these commodities. Certainly the Congress never intended for the CCC to restrict United States production to the domestic market by keeping its commodities off world markets at competitive prices. Testimony before the Committee indicates that nearly every country of the world makes special concessions where necessary to keep its products moving in world trade channels. Undoubtedly Congress intended that this country should compete in world markets. This is borne out by the fact that it provided specific

authority in the Commodity Credit Corporation Charter for the Secretary to sell its commodities in world trade at whatever price he finds necessary to sell such commodities.

COMMODITY CREDIT CORPORATION OPERATING COSTS

Any decreased investment which might result from flexible or reduced support levels is being dissipated by failure to sell. Of the \$588.5 million loss incurred on CCC commodities disposed of in the fiscal year 1954, about \$224 million represents storage, warehousing and transportation costs and \$102.9 million represents administrative, interest, and similar costs. Of this storage cost, \$188 million covers storage on those commodities which have never been offered for sale in world markets at competitive prices, even though the Department has the authority to so offer them. These commodities include corn, cotton, rice, tobacco, cheese, milk, wool, cottonseed meal, cotton linters, olive oil, seeds (hay and pasture), and soybeans, in which the United States has an investment of \$3.7 billion.

A large part of these storage costs would have been avoided had the Corporation used its authority to sell these stocks in world trade through normal channels. Losses on sales abroad could well have been less than storage costs resulting from the present policy of holding such commodities off world markets at competitive prices. For example, on some of the cotton now held, as much as 8 cents per pound has been added to the Government's investment by storage costs alone.

In view of the large amounts of Federal commodities on hand, no further increases in storage rates should be authorized under any circumstances. Instead, the committee feels that storage costs should be brought down by at least 20 percent during the next fiscal year, by reducing stocks through sales. It also believes that the reduction of stocks of commodities and storage costs should continue at even a faster rate in the years ahead, until CCC holds only such supplies as are essential to security reserve for one year.

NEED FOR POSITIVE SALES PROGRAM

It would seem to the committee that the directors of any corporation should realize that a business cannot operate successfully if it does not sell what it purchases. This is particularly true where holding the stocks continues to add to the carrying charges due to accrued storage costs and constantly increasing administrative expense. And yet, that is what the Commodity Credit Corporation is doing.

The committee finds that this \$10 billion corporation, which now has over \$7 billion invested, does not have a sales manager or a sales organization. Actually it does not even have a sales policy or program worthy of the name.

It has long been recognized by the Congress that, in order to protect the public interest, government purchase contracts must go to the lowest bidder. In view of the soundness of that policy, the committee wonders why the CCC does not save government money by selling to the highest bidder. Generally speaking the Corporation does not do that either at home or abroad. Almost 100 per cent of the commodity sales are offered at a fixed price. Usually, on this basis, CCC does not sell, thereby increasing storage costs and adding

to the United States investment and eventual losses. Last year, when the committee got the Corporation to offer stocks competitively, the commodities were sold for dollars totaling \$500 million.

Certainly, the operating heads of this \$10 billion corporation must realize that, with over \$7 billion invested, they cannot keep buying, and cannot keep adding to carrying charges because of higher storage rates, increasing commodity volume, and more administrative costs—and not sell for the best available price.

Yet the officials of this corporation will not sell competitively in world trade. It cannot be because they do not have authority, for the Charter itself gives unlimited authority to sell on such a basis.

The Charter of the Corporation provides for a president and board of directors. These officials are—

Ezra Taft Benson, Director (Secretary of Agriculture).

True D. Morse, President (Under Secretary of Agriculture).

James A. McConnell, Director (Assistant Secretary of Agriculture).

Ervin L. Peterson, Director (Assistant Secretary of Agriculture).

Earl L. Butz, Director (Assistant Secretary of Agriculture).

O. V. Wells, Director (Administrator of AMS).

R. L. Farrington, Director (Solicitor of Agriculture).

The President of the Corporation, in reporting to the committee on the commodity disposals for the last year, referred to how much the Corporation had “bartered”, how much it had “granted” and how much it had “given away.” He then discussed how much the “disappearance” was, and in an optimistic note commented on what the current year’s “dispositions” will be. On the basis of such testimony, the committee raised a question as to how long any private corporation could exist with such a policy of giving away assets, then merely charging off the losses.

Those facts make the picture clearer. There is much to indicate that, with the Department of Agriculture, a branch of the Executive Department, political and other considerations predominate to the point of preventing action. Proper actions by the Corporation are made subservient to a host of other considerations, many of which, in the opinion of a majority of the committee, are unsound. These actions of the Secretary of Agriculture and others about him are hard to understand unless CCC costs and losses are for use to support their determined efforts to change the price support program.

From the Department’s testimony, it appears that CCC policy is dependent upon obtaining agreement among the various segments of the trade as to time and terms of disposal. Yet within the trade there are many conflicting interests which cannot be reconciled so as to permit necessary actions protecting the interests of the Corporation. With general agreement under such circumstances virtually impossible, except on a give-away basis, CCC offerings in world trade are made at such a high pegged price level that other countries are enabled to offer their commodities just under United States prices and get the markets. Thus the United States holds an umbrella over world prices and invites United States capital to move its production to foreign lands.

The committee feels strongly that the officials of the Commodity Credit Corporation must accept their responsibility to properly handle

the affairs of the Corporation so as to protect the Government's investment. The retention of any farm program will largely be determined by how well the business of the Corporation is handled.

A sales manager should be provided immediately by the Board of Directors. He should be made directly responsible to it, with a directive to set up a sales organization and a positive sales program under which commodities will be sold for the best price the Government can get and still move them before "storage costs" become too large.

If, to get this done, it is necessary to make the officers and employees of the Corporation independent of the Department of Agriculture, Congress should adopt legislation to accomplish this.

Sale of CCC commodities is essential to American agriculture, for those stocks not offered for sale on a competitive bid basis have two undesirable results—the reduction of production goals and the lowering of price support levels. Already, cotton not offered in world trade on a competitive bid basis has been used to reduce United States acreage by about 7 million acres in two years. As pointed out earlier, due to such restrictions imposed this year alone, more than 55,000 farm families are without homes and more than 130,000 farm families have had their gross annual income of \$1,000 or less reduced to around \$900. And it must be realized that this is not the result of price supports but is because CCC will not sell the commodities acquired.

INCREASES IN FOREIGN PRODUCTION

It is imperative that these policies be changed immediately, since foreign acreage is increased as United States acreage is reduced. Figures from the Department indicate that reductions in United States production have not cut world production, but have transferred our acreage to foreign lands instead.

Since 1949, foreign production of cotton has increased 49 percent while United States production has decreased 16 percent. Since 1952, production of cotton has increased about 43 percent in Europe, 6 percent in Asia, and 11 percent in South America. Indications are that further increases are expected in these areas of the world next year. During this same period, cotton acreage in the United States has been reduced about 35 percent.

With this loss of income to the economy of the United States, it is distressing to note that much of the increased production in other countries has been supported by American capital and "know how." The assurance of a United States umbrella over world prices has enabled these concerns to develop profitable operations in countries where labor and other costs of production are much below ours.

ECONOMIC LOSS TO NATION

It is difficult to evaluate the effect of these matters on the Nation's economy. Department of Agriculture estimates indicate that the direct loss to the farmers, resulting from acreage reductions in 1954, could run as high as \$1.2 billion. There is considerable evidence to indicate that each dollar produced on the farm adds seven dollars to the income of the rest of the people of the country. On this basis, the loss to the Nation's economy due to curtailed agricultural production this year could be as much as \$8½ billion.

Some evidence of the Department's realization of the effect on our general economy of holding commodities off world markets with resulting acreage reductions is contained in a speech delivered by Under Secretary Morse, who doubles as President of C. C. C., in North Carolina last June. On page 6 of his speech he states:

To the extent farm production is needlessly cut back and restricted in order to maintain abnormal prices—farmers tend to destroy or weaken the consumer demand and national prosperity on which their own prosperity depends. Under present laws, the huge pileup of surplus farm products may force cuts in acreage allotments for the next year of more than 30 million acres. It will reduce employment all the way from laborers in the cotton and wheat fields on back into the towns and cities that make and sell farm machinery, fertilizer, chemicals, gas and oil, and all the other supplies and services that are required to keep farms in full production. North Carolina industries will feel the effects of any extended slowing down or reduction in agricultural production.

Further evidence of our National loss, due to current policies of not selling these farm commodities, is found in a recent statement released by CARE, which reads as follows:

According to the national advisory committee for CARE, composed of such men as Henry A. Bullis, General Mills' chairman of the Board; Roy C. Ingersoll, president of Borg-Warner; Ward Melville, Melville Shoe Corporation; H. J. Heinz, and others equally successful, such policy costs the United States \$700,000 a day for storage, deprives American railroads of transportation equal to 100 transcontinental freight trains each day for a year, deprives American shipping of the equivalent of the dispatch of 10 oceangoing freighters every day for a year, not to mention the loss of labor and the effect on agriculture itself, being cut back now to absorb surplus commodities.

Despite its realization of these conditions, the Department has failed to sell these commodities, even though it has authority to sell.

INADEQUACY OF DEPARTMENT'S REMEDY

Hope for a solution to the many problems of Agriculture is offered by the Department in the form of more research and education. The committee agrees that these are valuable programs, which offer help to the farmer on a long-range basis. It feels, however, that other more immediate solutions must be found if the farmer is to be carried through the present crisis of falling farm prices, rising farm costs, and reduced production. It is extremely doubtful that a research worker or an extension agent can help a farmer make a living on three to five acres of commercial crops under present conditions.

The Department offers further hope to the farmer in the form of off-farm employment. The Department's position on this is contained in a speech recently delivered by Under-Secretary Morse at Lexington, Kentucky, in which he stated:

Perhaps one reason for this sound management of finances by farmers is the increasing extent to which farmers and their families are taking advantage of off-farm employment.

While it may be that some off-farm income is necessary under present conditions to enable the farmer and his family to exist, the committee believes that the policies of the Department should be such as to make farming a satisfactory means of livelihood for those who have spent their life in that occupation. It cannot subscribe to policies which depress United States farm income and encourage the expansion of foreign production at the expense of United States production.

In this connection, the committee's report on the hearings held in January on Commodity Credit Corporation operations is quoted, as follows:

In the opinion of a majority of the members of the committee, actions of the Department to reduce price supports, change parity formulas, and reduce acreage allotments will not cure the problem of the increasing commodity holdings of the corporation. They believe that this difficulty is due to the failure of the corporation to discharge its responsibility under its charter to sell its commodities competitively in world markets. Testimony before the committee shows that none of the large stocks of cotton, cheese, corn, rice, seeds, naval stores, tobacco and wool have been or are being offered for sale on a competitive basis, despite basic authority in law to do so.

The program for moving commodities under Public Law 480, for which much is claimed, actually is a means of giving commodities away in preference to attempting to sell them through normal trade channels. It involves prior clearance from a committee composed primarily of representatives of non-agricultural interests, (Commerce, State and other Departments) which is a serious hurdle in getting agricultural commodities exported. Also, under the law, the major portion of the local currencies received for commodities shipped abroad will be used for foreign aid purposes in the countries from which received.

The majority of the committee feels that steps should be taken as early as practicable to begin the movement of these commodities into world markets on a competitive bid basis through American exporters. The committee also feels that an immediate announcement of such change in policy should be made to discourage further increase in foreign production to the detriment of American farmers.

Such an action will eventually make possible reductions in administrative costs of the corporation. It should also help to correct the present practice of making competitors out of former customers and should benefit foreign consumers who have a real need for products surplus to United States domestic needs. Further and most important, it will enable the American farmer to compete with foreign producers and make additional acreage available to relieve undue hardships existing in many areas of the country under present orders.

The committee fully recognizes that CCC stocks have been held so long and have built up to such quantities that we must move them back into world markets gradually. Statements by the Department to the effect that offering to sell on a competitive bid basis might drive world prices down drastically, could easily be met by providing in the Department's initial announcement that bids below a certain level would not be accepted. By this means full control would be retained by the Corporation.

NEED FOR ACTION PROGRAMS

As was the case a year ago, the committee again had presented to it a budget sharply curtailing certain of the action programs of the Department. Reductions proposed for 1956 include the following:

Plant and animal disease and pest control.....	\$435, 579
Soil Conservation Service operations.....	1, 872, 379
Flood prevention.....	495, 292
Inspection of fresh fruits, vegetables, poultry, and eggs.....	320, 000
School-lunch program.....	15, 236, 197
Total.....	18, 359, 447

The committee has again restored the proposed reductions in these programs. It feels that sharp curtailments in the action programs, which were established to put the results of research and education to work on the farms of the country, would be a serious mistake in view of the difficulties facing agriculture at this time and the possibility of further reductions in farm income next year. Further, it is im-

pressed with the fact that these programs relate directly to our three greatest assets—children, soil and water—and expansion rather than retraction can be readily justified.

The proposal of the Department to eliminate funds for the purchase and distribution of commodities under Section 6 of the School Lunch Act is based on the assumption that a sufficient quantity of surplus foods will be available under Section 32 funds to meet the need. This same proposal was offered in support of a similar budget cut a year ago. Actual performance so far this year shows that the department reduced substantially its food purchases and, in many areas of the country, the amount of food distributed to schools from Section 32 funds has decreased rather than increased as indicated. The committee can see nothing to indicate a substantial change in this situation during the coming year. Further, the type of commodities available through section 32 are generally not the same as those purchased under section 6. In order to meet nutritional requirements and provide a balanced diet, Section 6 funds are important, particularly with respect to fresh fruits and vegetables.

The committee deplores the Department's failure in recent years to use Section 32 to support markets temporarily in distress. Not only has this resulted in substantial economic loss to the Nation, but it has also amounted to further curtailment of the school lunch program. The Secretary is urged to use this fund, as intended by Congress, to strengthen chaotic markets and to supplement commodities available to the school lunch program from this source.

The committee is recommending sufficient funds for the Soil Conservation Service to restore the proposed reduction and to provide a modest increase for technical service to the 58 new soil conservation districts to be established next year. The committee cannot ignore the past loss of 40 percent of our crop land and the present damage that is occurring every day. Neither can it overlook the difficult problems facing many areas of the Country due to prolonged drought and resulting dust storms. It is noted that the Budget Bureau, which reduced the regular funds for this purpose, approved \$15,000,000 last year for emergency conservation measures in drought areas. The committee believes it more sound to prevent or to attempt to prevent such situations from arising, than to meet them after the damage has been done.

In the opinion of the committee, work on the eleven approved watersheds under Flood Prevention is falling far behind a satisfactory and economical rate of progress. Further, it is apparent that expansion of this type of conservation effort to other areas of the country through the Watershed Protection appropriation is not proceeding rapidly enough to meet the real need and demand for such work. Testimony indicates that, at the present rate of progress, it will take many years to complete the projects authorized in 1936. And it is impossible to estimate how long it will take to meet even a small portion of the need in other areas of the country for similar watershed projects, on the basis of present appropriations. Accordingly, the bill provides sufficient funds to restore the reduction in Flood Prevention funds and to increase by a nominal amount the work on this and the Watershed Protection program.

Proposed reductions in the insect and animal disease control programs and the inspection and grading of fresh fruits, vegetables, poultry and eggs have also been restored. The committee is convinced

that the benefits to the Nation from free and unhampered movement of products in interstate commerce are such as to warrant continued participation by the Federal Government in the insect and animal disease control programs. It believes that firm plans must be worked out to assure adequate financing and uniform quarantine regulations among the States, before the Federal Government can withdraw further from this activity. With respect to the inspection programs, the committee members have agreed that no budget reductions are advisable until a complete review of the policy relative to all inspection activities has been considered by the Department of Agriculture and the Congress.

AGRICULTURAL RESEARCH SERVICE

Appropriations, 1955-----	\$89, 690, 287
Estimates, 1956-----	95, 916, 708
Recommended, 1956-----	95, 728, 708
Comparison:	
1955 appropriations-----	+6, 038, 421
1956 estimates-----	-188, 000

The Agricultural Research Service conducts all of the production and utilization research of the Department (except forestry research), and the inspection, disease and pest control, and eradication work associated with this research. The Administrator of this Service is responsible for the coordination of all research in the Department.

Research.—The committee recommends a total of \$37,000,000 for 1956, an increase of \$1,178,000 over appropriations for 1955 and a reduction from the budget of \$684,000. The increase recommended will provide additional funds for nearly every phase of research activity conducted under this appropriation, and is in addition to the nearly \$2,900,000 increase provided for these same purposes last year.

As pointed out earlier in this report, one of the principal solutions offered by the Department for the many problems presently facing the farmer is additional research. The committee recognizes the value of research to agricultural progress in the United States and has approved the large increase set forth above. The reduction in the budget has been made in view of evidence that some of the funds under this heading are being used on research of doubtful value. Reports from committee investigators and testimony developed during the hearings indicate that research funds provided last year have been used for such projects as "Flora of Dominica," and "Orchids of Guatemala." Evidence also indicates that funds are being used to finance research projects adopted primarily for the benefit of the personnel engaged in such research. The committee doubts that Congress is aware that funds are being spent on such projects as "rural sociology," "family utilization of clothing in Minnesota," and "the difference in clothing worn by city and farm families in Kansas." Accordingly, it does not feel justified in recommending to Congress the full budget estimate provided in the 1956 budget.

Of the funds provided, the sum of \$200,000 has been earmarked for special research on the effect of acreage reductions on the local and national economy. It is hoped that such a study will enable the Department and the Congress to determine policies and solutions for (1) the economic problems created by falling farm income and production on individual farms, and (2) the proper use of diverted acres resulting from acreage reductions.

The committee believes that the large increase for 1956 will provide sufficient funds to enable the Department to give more attention to the problems of the bee-keeping industry. The importance of bees to proper pollination of crops is well recognized, and it would seem that work on this subject would be an important phase of any research intended to improve crop production.

The committee also feels that a portion of the increases allowed should be used to expand research on the farm as a productive economic unit. Research of this type is essential to future programs designed to make farming a profitable occupation.

Several individual projects of a major nature such as a new research laboratory at Winterhaven, Florida and a national seed storage facility, have been proposed by interested members for inclusion in the appropriation bill for 1956. Neither of these proposals were included in the budget by the Department or the Bureau of the Budget. The committee recognizes the fine research work that has been done in Florida, and realizes the need for more adequate research facilities in many areas of the country. It feels that insufficient attention has been given to a nation-wide building program and urges the Department to make a special study of this matter in the coming year, taking into account priority of need throughout the country and the extent to which local financial support is available. The committee does not feel justified in initiating individual projects of a major nature in the absences of such an overall study.

The recent action deemphasizing home economics research should also be given further consideration by the Department. Testimony from persons engaged in home demonstration work with farm families indicates that some part of the funds provided this bureau should be used on such projects as "household food consumption" and "family budgets and expenditures", within funds provided in the appropriation for 1956. According to information presented to the committee, six of the bulletins most frequently used by home-makers of the country are on these subjects. The units of the Department engaged in such research appear to be the chief source of bulletins and other material of this type.

Plant and Animal disease and pest control.—A total of \$17,750,000 is recommended for 1956. This is an increase of \$496,000 above the budget estimates, and a decrease of \$439,579 below current funds—including a supplemental of \$500,000 to meet a grasshopper emergency in the West. The committee has restored funds for these control programs in order to give the Department sufficient latitude to work out arrangements with the States as to adequate financial support and uniform quarantine regulations for those programs where further Federal withdrawal appears warranted. The committee recognizes that some Federal participation in these programs will always be necessary to assure free and unhampered interstate shipment of agricultural products.

Language has been included in the bill to permit furnishing of uniforms, as authorized in the "fringe-benefits" bill adopted last year, to plant quarantine inspectors who are required to wear uniforms as a means of identification.

The funds approved for next year should be sufficient to provide full supervision and inspection for products used in hog cholera control. This disease is still a serious problem in many areas of the coun-

try and adequate inspection of these products is essential to the protection of this important segment of agriculture.

Meat inspection.—The committee recommends the full budget estimate of \$14,325,000 for this program for 1956. This will permit continuation of the program at the same level as authorized for 1955.

Payments to States, Hawaii, Alaska, and Puerto Rico.—The full budget estimate of \$24,753,708 is recommended for grants to the state experiment stations for 1956. This is an increase of \$5,300,000 over the appropriations authorized for 1955. An increase of \$6,000,000 was provided last year for this purpose.

Since research is offered by the Department as one of the principal cures for present problems of agriculture, the full increase for the research activities of the state experiment stations has been allowed. While it has some doubts as to whether or not this is the real answer to the problems facing the farmers of the Nation, the committee feels that the Secretary should have every opportunity to find the answer to farm problems through this means.

The committee has demonstrated at every opportunity in the past that it believes strongly in this work. Increases from \$7 million in 1947 to over \$19 million in 1955 attest to this fact. At the same time, members of the committee feel that some of the work being carried out under this program is of doubtful value. They believe that a more careful screening of the various research projects is needed if additional increases are to be requested each year. The committee doubts that members of Congress are aware that they have been supporting large increases in this appropriation each year for such research projects as "rural population dynamics," "methodology," and "patterns of child rearing in southern families and their relation to the personality development of children."

The committee realizes that the Department cannot initiate research projects under this appropriation, and recognizes the difficulties involved in attempting to restrict or eliminate lines of work which the state experiment stations wish to undertake. Nevertheless, the Secretary is urged to institute a stronger and more thorough review of research programs under this heading in order to curtail duplication of effort and eliminate less essential work. The committee also feels that this program should be administered in such a manner as to assure that Federal funds are fully matched by the States.

Foot-and-mouth and other contagious diseases of animals and poultry.—The full budget estimate of \$1,900,000 is recommended for the foot-and-mouth disease research program at Plum Island. This will permit continuation of the program at the current level. When the main laboratory facilities now under construction are completed, a larger research program will probably be required.

EXTENSION SERVICE

Appropriations, 1955.....	\$43, 537, 500
Estimates, 1956.....	49, 337, 500
Recommended, 1956.....	48, 895, 000
Comparison:	
1955 appropriations.....	+5, 357, 500
1956 estimates.....	—442, 500

The function of the Extension Service is to take research results and other agricultural information to rural people in a manner that effectively meets the farm and family needs. The Cooperative Extension Service is financed from Federal, State, county and local

sources. The funds are used within the States for the employment of county agents, home demonstration agents, 4-H club agents, State specialists, and others who conduct among rural people the educational programs of the Department.

Payments to States, Hawaii, Alaska and Puerto Rico.—The budget request of \$45,475,000 is recommended for 1956 for payments to State Land-grant Colleges for extension activities. This is an increase of \$5,800,000 over funds available for the current fiscal year. The amount approved provides an increase of \$5,493,000 for additional state and county extension workers, and an increase of \$395,000 for additional educational work in the marketing field. These are off-set by a reduction of \$88,000, due to shifting the farm forestry extension work to the regular funds of the Extension Service.

Here again the committee has gone along with the full budget request, in view of the Department's hope that this program will enable the farmer to meet his problems and remain on the farm. The value of this work has long been recognized by the Congress and every opportunity has been taken by the committee to strengthen it. This is indicated by the fact that the appropriations for this purpose have increased over 45 percent since 1947. While the committee cannot fully accept the Department's position that research and extension offer the only answers to the present ills of agriculture, it has recommended the full increase in order to enable the Secretary to carry out the program on the basis proposed by him.

Reports from committee investigators and testimony before the committee raise several basic questions regarding the use of additional funds of \$7.5 million appropriated for this program a year ago. A survey made in Texas last year revealed that, while state extension officials had no firm plans for the use of the increases approved for 1955, they thought they might be able to make use of the money to "expand the educational program so that people would be informed through the Extension Service regarding international affairs."

The report also raised a question concerning the ultimate goal of the Extension Service. It developed evidence that, while the program's traditional role has been one of education, it now is being extended into the activities of the various action agencies, such as the Soil Conservation Service and the Farmers Home Administration. It also reported that five additional county agents have been added to certain experimental counties in the South on the basis of one agent for each 50 farm families. It pointed out that the expansion of such a plan to the 5 million farm units throughout the country would ultimately result in the employment of 100,000 extension agents and 50,000 home demonstration agents. While the Department's witnesses disclaimed any such objectives, the committee feels that this experimental program should be watched very closely. Large increases are being proposed for this activity each year with no evidence of a clear-cut plan for leveling off at a point which can be supported by Federal funds.

Testimony presented to the committee indicates a need for an intensified educational program among agriculture producers on grain sanitation problems. In the opinion of the committee, the large increase recommended for the coming fiscal year should make it possible to develop and carry out a program to meet this need.

Federal Extension Service.—The committee recommends \$3,420,000 for 1955, a decrease of \$442,500 below the budget estimate and the 1955 appropriation. On the basis of amounts expended in fiscal year 1954 and obligated to date this year for penalty mail, it is believed that the reduction can be absorbed without any difficulty.

FARMER COOPERATIVE SERVICE

Appropriation, 1955.....	\$408, 000
Estimate, 1956.....	408, 000
Recommended, 1956.....	408, 000

The Farmer Cooperative Service was established by the Farm Credit Act of 1953, which transferred the research and technical assistance work for farmers marketing, purchasing, and service cooperatives from the Farm Credit Administration to the Secretary of Agriculture. The Service conducts research and carries on related service and educational activities on problems of organization, financing, management, merchandising, product quality improvement, costs, efficiency, and membership. It works closely with cooperatives throughout the country to help the 3,000,000 farmers who are members of such organizations improve the operations of their businesses. It also advises other Federal agencies on problems relating to agricultural cooperatives.

The committee recommends the full budget of \$408,000 for 1956, to permit the continuation of this program at the present level.

SOIL CONSERVATION SERVICE

Appropriations, 1955.....	\$74, 453, 871
Estimates, 1956.....	75, 346, 200
Recommended, 1956.....	80, 612, 579
Comparison:	
1955 appropriations.....	+ 6, 158, 708
1956 estimates.....	+ 5, 216, 379

The Soil Conservation Service assists soil conservation districts and other cooperators in providing technical aid to farmers and ranchers in bringing about physical adjustments and land use that will conserve soil and water resources, provide economic production on a sustained basis, and reduce damages from floods and sedimentation. The Service also develops and carries out special drainage, irrigation, flood prevention, and watershed protection programs in cooperation with soil conservation districts, watershed groups, and other Federal and State agencies having related responsibilities.

Conservation operations.—The committee recommends an appropriation of \$58,612,579 for 1956, an increase of \$1,044,000 above the 1955 appropriation and an increase of \$2,916,379 above the budget estimate. The committee does not agree with the proposed reductions contained in the 1956 budget and has restored the full amount cut. In addition, it has added \$1,044,000 to finance technical service to the 58 new soil conservations districts expected to be established during the coming fiscal year. The committee members believe that the past record of this fine organization and the serious drought and dust-bowl problems facing the country fully support this action.

The committee is disturbed by evidence of efforts to gradually eliminate this program. Apparently a task force of the Hoover Commission studying Federal programs intends to recommend that

this organization be abolished and its work be turned over to the state extension service or something similar. While the Department has not yet received such recommendations officially, it understood that the Secretary is represented on the Commission and is aware of these developments. Certain factors tend to indicate some sympathy within the Department and the Bureau of the Budget for the reported position of the Hoover Commission. The budget cuts proposed each year in this program provide some basis for this conclusion. They also indicate a complete lack of appreciation by the Executive Branch of the generally recognized need for increased attention to conservation throughout the country. It is requested that the committee be notified by the Department as soon as official recommendations are received from the Hoover Commission, so that appropriate Congressional action can be considered.

The committee is firmly opposed to the subordination of the Soil Conservation Service to any other agency.

Watershed protection and flood prevention.—Amounts recommended for 1956 for these two programs are \$12,000,000 for watershed protection and \$10,000,000 for flood prevention. The amount proposed for watershed protection is \$1,000,000 over the budget estimate and \$4,790,000 above the 1955 appropriation. The recommendation for flood prevention provides an increase of \$804,708 above 1955 and \$1,300,000 above the budget estimate.

As discussed earlier in this report, the committee is firmly convinced that some increase in these programs is fully justified. All testimony received indicates the urgent need to speed up these programs to meet the public demand throughout the country for upstream watershed work. In view of the failure of the Executive Branch to recognize this need, Congress must take the initiative and provide adequate funds to assure a reasonable rate of progress in this work.

Construction on the eleven watersheds authorized in 1936 is only 20 to 25 percent complete after nearly 20 years. At the present rate of progress, they will require an additional 50 years or more to complete. Further, the number of watersheds on which work is under way under existing watershed protection programs is only a small fraction of the watersheds throughout the nation which need such attention and for which local support has been or will be pledged on a full matching basis. The delay appears to be due entirely to the lack of adequate Federal funds, since local contributions in the form of money and land easements have been more than adequate to match all Federal expenditures to date.

Funds contained in the flood prevention appropriation for the Yazoo and Little Tallahatchie Watersheds shall be used for the portions of work covered in the flood survey reports and defined as "additional measures to accelerate flood prevention" to the full extent necessary to keep the overall flood prevention program in balance.

AGRICULTURE CONSERVATION PROGRAM SERVICE

Appropriation, 1955	\$191, 700, 000
Estimate, 1956	250, 000, 000
Recommended, 1956	214, 500, 000
Comparison:	
1955 appropriation	+22, 800, 000
1956 estimate	—35, 500, 000

The purposes of this program include restoring and improving soil fertility, reducing erosion caused by wind and water, and conserving water on the land. To effectuate these purposes, the agricultural conservation program offers cost sharing assistance to individual farmers and ranchers in all of the 48 states, Alaska, Hawaii, Puerto Rico, and the Virgin Islands for carrying out approved soil building and soil and water conserving practices on their farms. Allocations are made to the states based upon conservation needs.

An appropriation of \$214,500,000 is recommended for 1956, a reduction of \$35,500,000 below the budget estimates. The amount recommended will provide adequate funds to meet all commitments made to participants in the program under the 1955 program authorized last year. The reduction is made possible by a carryover of unused funds from the 1953 program. The action of the committee will not result in a failure to meet obligations incurred under prior year authorizations, and it should not be considered as a basis for reductions in the size of this program in the future.

The advance authorization for the 1956 program is recommended at this year's level of \$250,000,000. This amount, which is \$75,000,000 higher than that requested in the budget, is recommended by the committee to assure adequate protection of the nation's greatest natural resource, the soil, in the face of constantly falling farm income. The committee is certain that the difficulties facing the farmers of the country, such as falling farm prices and rising farm costs, will have a definite tendency to reduce conservation effort during the coming year, unless the Federal Government continues to provide strong leadership and adequate financial encouragement to induce farmers to continue their part of the program. The committee feels strongly that reduced attention to the nation's conservation efforts during this period of severe drought and dust storms would be a serious mistake and an irreparable blow to future generations of Americans.

The committee has not agreed to the budget language restricting the use of funds for small payment increases authorized by the basic law. The objective of this program is to get conservation work done on the land, and some special consideration must be given to the small farmer to enable him to participate on a satisfactory basis. It is frequently this type of land which needs conservation attention the most. The committee feels that handling the small payment increase along with regular payments would result in the administrative improvements desired by the Department.

AGRICULTURAL MARKETING SERVICE

Appropriations, 1955-----	\$106, 376, 352
Estimates, 1956-----	91, 396, 000
Recommended, 1956-----	107, 027, 197
Comparison:	
1955 appropriations-----	+ 650, 845
1956 estimates-----	+ 15, 631, 197

The Agricultural Marketing Service is organized to aid in advancing the orderly and efficient marketing and the effective distribution of products from the Nation's farms. The marketing and distribution functions of the Department, which are centered in this Service, include research and development of agricultural marketing and distribution; analyses relating to farm prices, income and population,

and demand for farm products; crop and livestock estimates and related statistical and economic research; market news service; standardization, inspection, grading and classing of farm products; freight rate assistance; marketing and regulatory acts (including marketing agreements and orders); cooperative programs in marketing; the national school lunch program; surplus removal programs under section 32 of the Agricultural Adjustment Act; food trade activities; and other assigned responsibilities related to agricultural marketing and distribution.

Marketing Research and Service.—A total of \$22,791,000 is recommended for 1956, an increase of \$992,500 over 1955 and \$395,000 over the budget estimate. This amount includes \$10,981,000 for marketing research and agricultural estimates and \$11,810,000 for marketing services.

The committee has approved the full budget estimate for research and agricultural estimates, which provides an additional \$758,000 over funds available in fiscal year 1955. The full increase requested has been approved because of the Secretary's belief that increased research holds the principle hope for meeting present-day farm problems, and because of the committee's desire to allow the Secretary sufficient funds to determine the accuracy of his position.

The committee has ear-marked \$1,000,000 of the funds provided under this heading to be used for a special study of the price spread between the farmer and the consumer. According to figures received from the Department, the farmers' share of the consumers food dollar has been decreasing constantly—from 54 percent in 1945 to 43 percent at the present time. The committee believes that research efforts to off-set the loss of farm income through improved practices on the farm can only partially meet the problem. Therefore, it feels that more attention should be given to research on that portion of the consumers food dollar that goes to the transportation, processing and distribution system. It requests that this study be initiated immediately to develop information on a few of the major food crops in several different areas of the country for the period 1945 to date. The committee also feels that a portion of these funds should be used for the dissemination of this type of information to the consuming public to develop a better understanding of the extent to which such factors as freight rate increases, antiquated terminal markets and special processing and packaging of foods adds to the retail prices paid by the consumer.

In the opinion of the committee, there is strong justification and demand for reinstatement of the July crop reports for popcorn and honey products. Testimony received from officials of the Department indicates that these reports were dropped due to lack of funds. It is recommended, therefore, that a portion of the increase provided under this head be used to reinstate this service.

The amount recommended for marketing services provides for the restoration of funds deleted by the budget for inspection and grading of fresh fruits, vegetables, poultry, and eggs. The committee feels that this work should be continued on the present basis until the Department and the Congress have taken further action on inspection services for all commodities.

The funds include an increase of \$200,000 for market news services. The committee has allowed the full budget increase of \$125,000 to

initiate this work in 7 new locations. Also, it has allowed an additional \$75,000 to permit establishment of offices in some of the other locations where market news services are needed as indicated by the testimony presented during the hearings. It is understood that the necessary local matching funds have been pledged in all cases.

A problem with respect to the administration of the Packers and Stockyards Act was brought to the committee's attention during the hearings. Testimony developed the fact that, due to restrictions established several years ago, the inspection and posting of stockyards in Texas is not handled on the same basis as in Southern Oklahoma. The additional expense to cattle markets regulated under the Act puts them at a distinct disadvantage with competitors in contiguous areas. The committee feels that such an arrangement is inequitable and represents a threat to this program. It believes that this matter should be given immediate attention by the Department so that firm recommendations can be submitted to the appropriate committees of Congress to remedy this situation.

Payments to States, Territories, and Possessions.—The full budget estimate of \$1,000,000 is recommended for 1956, an increase of \$100,000 over funds available for 1955. The increase covers additional funds to the States for assistance in applying research results and improved marketing practices to the marketing of farm products.

School-lunch program.—The committee recommends restoration of the budget cut in order to permit this program to be continued at this year's level of \$83,236,197.

The committee received a great deal of testimony on this subject. Much of it indicated the need for additional amounts above those approved to meet the increasing number of school children participating in the program and the constantly rising food costs. Many Members of Congress, many representatives of organizations working with school children, and many representatives of school cafeterias throughout the country appeared before the committee strongly supporting full restoration of the budget reduction. All farm organizations and similar groups appearing before the committee also recommended against the proposed reduction.

As was the case last year, the reduction was based on the assumption that the loss of Section 6 purchases would be fully offset by the availability of commodities from Section 32 funds. This position appears to be based entirely on speculation, since the latest figures available indicate that the distribution of commodities to schools during the present school year will fall as much as 28 percent below the previous year. The committee believes that this program is too important to the welfare of the Nation to make reductions on the basis of assumptions which have not been sound in the past.

Also, it is generally recognized that Section 6 purchases are necessary to provide the balanced type of meals required by this program. A great many of the commodities available from Section 32 funds are not identical in kind or in nutritional characteristics with those available from purchases under Section 6. This is particularly true in connection with fresh fruits and vegetables.

Congress created the Section 32 fund to provide some measure of price support for commodities not under regular support programs,

particularly perishables. As provided by the basic legislation, the program was established to—

(1) encourage the exportation of agricultural commodities and products thereof by the payment of benefits in connection with the exportation thereof, or of indemnities for losses incurred in connection with such exportation, or by payments to producers in connection with the production of that part of any agricultural commodity required for domestic consumption; (2) encourage the domestic consumption of such commodities or products by diverting them, by the payment of benefits or indemnities or by other means, from the normal channels of trade and commerce or by increasing their utilization through benefits, indemnities, donations or by other means, among persons in low income groups as determined by the Secretary of Agriculture; and (3) reestablish farmers' purchasing power by making payments in connection with the normal production of any agricultural commodity for domestic consumption.

Congress has given this program full support through the years. It has repeatedly taken action to make certain that the funds for this purpose are not diverted to other programs. It has frequently reaffirmed the basis for the fund—to stabilize chaotic markets by removing, or announcing an intention to remove, a portion of the temporary surplus from the markets.

It is disturbing to the committee to see the Department's failure to use this program as intended by Congress, despite the fact that adequate funds have been available to meet all needs. In the opinion of the committee, the Department's decision not to meet such situations as the disastrous collapse of egg prices last fall, through the removal of small quantities of the product from those markets temporarily in distress, was a serious mistake and a severe economic blow to the poultry producers of the country.

The committee urges the Secretary to change his policies in this regard. Proper use of this fund will benefit the entire economy of the country as well as the agricultural producer. Further, it will make more food available to the school lunch program through Section 32 purchases, as has been proposed in the last two budgets presented to this committee.

FOREIGN AGRICULTURAL SERVICE

Appropriation, 1955.....	\$2, 515, 000
Estimate, 1956.....	3, 365, 000
Recommended, 1956.....	3, 365, 000
Comparison: 1955 appropriation.....	+850, 000

The Foreign Agricultural Service administers the foreign agricultural programs of the Department and develops plans and policies related to the administration of the foreign affairs and interests of U. S. agriculture. It disseminates to American agriculture the basic information essential to the aggressive foreign marketing of U. S. agricultural products and to making necessary adjustments to meet changing situations abroad. The Service conducts a broad program designed to develop foreign outlets for the agricultural products and analyzes competition and demand factors relating to foreign marketing. It also directs and coordinates the continuous economic analysis and interpretation of world conditions and developments that significantly affect the retention and expansion of foreign markets for American products. The Service directs and coordinates a world-wide agricultural attache service, with particular emphasis on the development of markets for American products, and on trade reporting from foreign areas designed to aid American farmers and exporters.

In allowing the full budget request for 1956, the committee has taken into consideration the urgent need to solve one of the most acute problems now facing the American farmer. This is the need to reduce the large stocks of commodities in the hands of the Commodity Credit Corporation by sales in world trade. The committee believes that the expansion of this Service, and the increased activities in foreign markets by private United States agricultural representatives which should result, will help the United States to move back into world markets on a basis which will encourage foreign purchases of United States agricultural commodities.

The Committee has earmarked \$500,000 of the funds approved for 1956, for use in gathering and keeping current information on foreign agricultural production from 1946 to date, and for conducting a study of agricultural programs and policies in other countries throughout the world designed to move agricultural commodities into world trade on a competitive basis. The committee believes that such a study is essential to the development of a program to meet the competitive situation facing American agriculture abroad. It becomes increasingly apparent that Congress must be fully informed as to the world picture in order to determine our farm policies at home. Testimony before the committee disclosed that such information is inadequate. The committee requests that periodic reports on the findings from this study be furnished to the appropriate committees of Congress.

COMMODITY EXCHANGE AUTHORITY

Appropriation, 1955_____	\$693, 000
Estimate, 1956_____	698, 000
Recommended, 1956_____	698, 000
Comparison: 1955 appropriation_____	+5, 000

The objectives of this program are to prevent commodity price manipulation and corners; prevent dissemination of false and misleading crop and market information affecting commodity prices; protect hedgers and other users of the commodity futures markets against cheating, fraud, and manipulative practices; insure the benefits of membership privileges on contract markets to cooperative associations of producers; insure trust fund treatment of margin moneys and equities of hedgers and other traders and prevent the misuse of such funds by brokers; and provide information to the public regarding trading operations and contract markets.

The additional \$5,000 recommended for the fiscal year 1956 is provided to place on a full year basis the regulation of futures trading in wool initiated last fall under provisions of Public Law 690 adopted in the last Congress.

Representations have been made to the committee that much improvement could be made in the handling of futures markets, if the number of points for delivery of commodities under futures contracts were increased and located more conveniently. Testimony before the committee also indicates a need for more and better consumer education with reference to official grades and standards of various agricultural commodities. The record further indicates a need to increase the penalties for violations of the Commodity Exchange Act. The committee recommends that the Department give these matters further attention during the coming year, so that appropriate action

can be taken by Congress, where necessary, to improve or correct these conditions.

COMMODITY STABILIZATION SERVICE

Appropriations, 1955-----	\$100,850,000
Estimates, 1956-----	100,600,000
Recommended, 1956-----	98,600,000
Comparison:	
1955 appropriations-----	-2,250,000
1956 estimates-----	-2,000,000

The Commodity Stabilization Service has responsibility for the operation of the Commodity Credit Corporation, the agricultural adjustment programs, the Sugar Act, the International Wheat Agreement, the ASC State and county offices, and various related activities.

Considerable attention was given during the hearings to the operations of this large and complicated organization. The respective roles of the Washington office, the State offices and the county committees were discussed at length. Findings and observations developed by committee investigators were considered, including numerous examples of administrative deficiencies, excessive operating costs, lack of personnel training and supervision, and inadequate sales policies. Also, attention was directed to various instances cited of inadequate inspection procedures, heavy losses due to careless handling and storage of commodities, and questionable practices followed in the procurement of equipment and related items. Evidence was developed indicating that the same operating negligence and administrative irresponsibility resulting in the wide-spread grain scandals revealed by investigations of this committee a few years ago are still in existence. Information was also presented indicating that grain bins have been recently purchased from some of the same concerns which delivered poor quality structures under similar contracts on previous occasions.

It is difficult to understand how a program which has been in operation for nearly 20 years can still be in such a chaotic condition. And it is hard to understand how many of the same conditions discovered a few years ago have been allowed to continue, with no apparent effort to correct or eliminate them. In the opinion of the committee there can be no excuse for the existence of the same lack of administrative judgment and questionable practices which so seriously damaged the programs under the jurisdiction of this agency a few years back.

The committee urges the Secretary to look into these matters immediately and to take strong and forceful action to correct the unsatisfactory conditions discovered. It is important that steps be taken to protect the reputation and standing of this arm of the Department and to prevent further damage to the farm programs of the Nation.

Some of the difficulties here appear to result from the divided responsibility between the Washington office, the State offices and the county offices. The line of authority running from Washington to the field appears to be weak and the supervision of field establishments appears to be almost nonexistent. Also, many of the difficulties seem to result from poor management and personnel practices in the county offices.

It is the belief of the committee that considerable improvement in the operations of this far-flung and important agency would result from a change in personnel policies in the county offices. It is recommended that the regular full-time employees of these offices be required to meet Civil Service qualifications for comparable work and be paid on a basis comparable to regular Federal salaries. Such a change should enable the Department to hold personnel in the county offices fully responsible for the performance of their duties. Also, it should help to reduce present turnover and should help in the recruiting of qualified personnel. In addition to correcting many of the administrative deficiencies noted in the investigator's report, such a plan should increase employee efficiency and morale and should result in greater economy in the use of Federal funds. In the Committee's opinion, the added salary costs could be fully covered from savings resulting from such a change.

Agricultural adjustment programs.—The budget estimate of \$39,-000,000 is recommended for 1956, a reduction of \$2,250,000 below the 1955 level of operation. This reduction is possible due to decreased workload in connection with the establishment of wheat allotments in certain areas and due to a decrease in a number of wheat counties to be covered next year.

Sugar Act program.—The committee recommends \$59,600,000 for 1956, a reduction of \$2,000,000 below the budget estimate. Since the funds for this program are based entirely on projected estimates of sugar production, it is felt that the appropriation should be held at the 1955 level until firmer production figures are available.

These funds, which are expended under the Sugar Act of 1948, are used to establish consumption requirements, administer quotas and make payments to domestic producers of cane and beet sugar who meet specified conditions. From the inception of the program in 1938 through the fiscal year 1954, collections of excise and import taxes have totalled \$1,216,248,861, while expenditures have amounted to \$926,610,760.

FEDERAL CROP INSURANCE CORPORATION

Appropriation, 1955.....	\$6, 000, 000
Estimate, 1956.....	6, 000, 000
Recommended, 1956.....	6, 000, 000

The Federal Crop Insurance Corporation is a wholly owned government corporation created in 1938 to furnish protection for the farmers' investment in producing crops against loss from unavoidable causes. Crop insurance offered to agricultural producers by the Corporation provides protection from losses caused by unavoidable natural hazards, such as insect and wildlife damage, plant diseases, fire, drought, flood, wind, and other weather conditions. It does not indemnify producers for losses resulting from negligence or failure to observe good farming practices.

In accordance with the established policy of limited operations on an experimental basis, the 1955 crop insurance program is operating in about 900 counties, furnishing insurance coverage of approximately \$432 million on wheat, cotton, flax, corn, tobacco, beans, citrus, multiple crops, and soybeans. It is expected that it will be extended to 950 counties next year.

The Budget estimate of \$6,000,000 is recommended for 1956. This will provide the same appropriation as was authorized for 1955.

RURAL ELECTRIFICATION ADMINISTRATION

Loan authorizations

Authorizations, 1955-----	\$210, 000, 000
Estimates, 1956-----	230, 000, 000
Recommended, 1956-----	235, 000, 000
Comparison:	
1955 authorizations-----	+25, 000, 000
1956 estimates-----	+5, 000, 000

Salaries and expenses

Appropriation, 1955-----	7, 285, 000
Estimate, 1956-----	7, 680, 000
Recommended, 1956-----	7, 680, 000
Comparison: 1955 appropriation-----	+395, 000

The Rural Electrification Administration was established by Executive Order in 1935 to make loans for the extension of central station electric service to unserved rural people. The Agency was continued by the Rural Electrification Act of 1936, and became a part of the Department of Agriculture in 1939. In 1949 the Act was amended to authorize REA to make loans for the purpose of furnishing and improving rural telephone service. Loans for construction of electric and telephone facilities are self-liquidating within a period not to exceed 35 years, and bear interest at the rate of 2 percent.

The committee has approved the full request of \$160,000,000 for electrification loans for the coming fiscal year. In addition it has approved a contingency fund of \$100,000,000 for electrification loans, to enable the Secretary to meet any large or unusual needs in any area of the country which otherwise could not be handled within the regular authorization on the basis of the formula contained in the basic legislation. The amount recommended, together with an estimated carry-over of \$21,000,000 and probable rescissions of \$4,000,000 will make a total of \$185,000,000 available for electrification loans during the coming year, exclusive of the contingent fund provided in addition thereto.

The committee also recommends a total of \$75,000,000 for the rural telephone program. This amount, which is an increase of \$5,000,000 over the budget estimate, will enable the telephone program to continue at the same level as was authorized for 1955. The committee believes that the large backlog of loan applications on hand makes it unwise to reduce this program below the current year's level.

It is understood that proposed legislation has been presented to Congress to repeal the formula for distribution of loan funds contained in the basic law. The principal argument advanced for this action is that the Department may be prevented from making loans in certain States, due to the restrictions in the basic formula. During the hearings, the committee requested the Department to present a statement of those projects which have been or might be denied due to the lack of adequate loan authority. The Department has not presented any such projects to the committee, in the absence of which there seems to be a question as to the need for elimination of the formula, though some modification may be in order.

In order to make certain that adequate authority will exist in 1956 to cover all possible loan applications qualifying under the law, the

committee has approved the additional contingency fund outlined above. It is pointed out that these amounts are merely limitations on how much can be borrowed from the Treasury—and no money is drawn down until a loan has been finally approved and advances of funds thereunder have been authorized.

For salaries and expenses, the committee recommends the full request of \$7,680,000, an increase of \$395,000 over amounts provided for 1955. The additional funds are authorized for administration of the rural telephone program, in order to speed up the handling of loan applications and construction work.

FARMERS HOME ADMINISTRATION

Loan authorizations

Authorizations, 1955-----	\$153, 000, 000
Estimates, 1956-----	147, 000, 000
Recommended, 1956-----	153, 000, 000
Comparison: 1955 estimates-----	+6, 000, 000

Salaries and Expenses

Appropriation, 1955-----	\$23, 550, 000
Estimate, 1956-----	24, 500, 000
Recommended, 1956-----	24, 500, 000
Comparison: 1955 appropriation-----	+950, 000

The Farmers Home Administration performs the following four major activities: (1) to make direct and insured farm ownership loans to farm tenants, farm laborers, sharecroppers and other individuals for the purchase, enlargement or development, including farm housing and other building construction, of family type farms; (2) to make production and subsistence loans to farmers and stockmen for farm operating expenses and other farm needs, including the financing of indebtedness and family subsistence; (3) to make direct and insured soil and water conservation loans for the effective development and utilization of water supplies and for the improvement of farm land by soil and water conserving facilities and practices; and (4) to make emergency loans to farmers and stockmen in designated areas where a disaster has caused a need for agricultural credit not readily available from commercial banks, cooperative lending agencies, the Farmers Home Administration's regular loan programs, or other responsible sources. Technical guidance in planning and carrying out sound farm operations is provided borrowers on the basis of their individual problems and needs. No loans are made to applicants who can secure adequate credit from other sources at reasonable rates.

The committee recommends the same amounts for loan authorizations as were authorized for 1955. This includes \$19,000,000 for farm ownership and housing loans, \$122,500,000 for production and subsistence loans, and \$11,500,000 for soil and water conservation loans.

The reduction proposed in the 1956 budget for farm ownership and housing loans has been restored. This action is based on evidence that the need for farm houses and other farm buildings is continuing to increase, particularly among young veterans just getting started on the farm. The committee feels that this phase of the agency's program has not been receiving the proper attention in recent years and recommends strongly against any reduction in funds at this time. It does not agree with the recent change in policy, under which funds for direct loans would be reduced, with a proposal to handle a larger

portion of farm ownership and housing loans through insured mortgages. With falling farm income and the many other difficulties encountered in getting established on the farm, the higher interest charges and larger initial capital required under the insured mortgage type of loan would present additional problems to the borrowers.

An increase of \$950,000 is recommended for salaries and expenses to enable the Farmers Home Administration to adequately protect the government's large investment in this program. For the past several years, the committee has warned that the reductions made by the Department in these administrative funds would result in an increase in the number of delinquents, due to inadequate supervision and assistance to the borrowers. Testimony this year indicates that the number of delinquents has increased during the past several years, and the committee feels very strongly that additional funds must be provided to reverse this trend. Proper safeguarding of the borrower's interest and the security of the government demands careful scrutiny of loans granted, good judgment and a complete understanding of farm and home management. These can be met only if sufficient funds are appropriated to enable the field personnel of this agency to work closely with the borrowers during the period of the loan.

The committee is also concerned about evidence that the heavy demands made upon this agency, due to the emergency and disaster loan programs in the drought areas, are interfering with its regular work. This may be one factor contributing to the lack of adequate supervision of borrowers during the past several years and the increase in the number of delinquents. While the committee is in general agreement with the policy of absorbing additional work with regular employees wherever possible, it believes that such a practice should not interfere unduly with other essential activities. In order to assure that the regular operations are not restricted because of the emergency and disaster loan problems, it is recommended that additional personnel be provided and sufficient funds be transferred from the Disaster Loan Revolving Fund to cover the administrative costs directly related to lending activities under that Fund.

OFFICE OF THE GENERAL COUNSEL

Appropriation, 1955_____	\$2, 079, 000
Estimate, 1956_____	2, 164, 000
Recommended, 1956_____	2, 079, 000
Comparison: 1956 estimate_____	-85, 000

This office, as the law office of the Department of Agriculture, performs all the legal work arising from the activities of the Department. The General Counsel represents the Department in administrative proceedings for the promulgation of rules having the force and effect of law; in quasi-judicial hearings held in connection with the administration of various programs and acts; and in proceedings before the Interstate Commerce Commission involving freight rates and practices relating to farm commodities, including appeals from the decisions of the Commission to the courts. He serves as general counsel for the Commodity Credit Corporation and the Federal Crop Insurance Corporation. In addition, he furnishes necessary review in connection

with criminal cases arising under the programs of the Department for the purposes of referring them to the Department of Justice.

The Committee recommends the same amount for 1956 as has been available during 1955. In view of the large unused balance of funds last year, it is believed that the additional functions proposed in the 1956 budget can be met within the amount approved.

OFFICE OF THE SECRETARY

Appropriation, 1955-----	\$2, 116, 000
Estimate, 1956-----	2, 172, 600
Recommended, 1956-----	2, 116, 000
Comparison: 1955 estimate-----	-56, 600

The Office of the Secretary includes such staff offices of the Department as the immediate Office of the Secretary, the Office of Personnel, the Office of Budget and Finance, the Office of Plant and Operations, and the Office of Hearing Examiners.

The committee recommends \$2,116,000 for 1956, the same amount as is available for 1955. It is in full accord with the proposal to strengthen the inspection and investigation program of the Department in the Secretary's office. However, in view of the large unobligated balance of funds in 1954, it believes that this program can be instituted within the funds authorized.

OFFICE OF INFORMATION

Appropriation, 1955-----	\$1, 216, 000
Estimate, 1956-----	1, 238, 000
Recommended, 1956-----	1, 238, 000
Comparison: 1955 appropriation-----	+22, 000

The Office of Information has general direction and supervision of all publications and other information policies and activities of the Department, including final review, illustrating, printing and distribution of publications; clearance and release of press, radio, television, and magazine materials; maintenance of central files of news and general illustration type photographs; and preparation and distribution of exhibits and motion pictures. The Office publishes the Yearbook of Agriculture, the annual report of the Secretary of Agriculture, the Department Directory, the Department List of Publications, handles the distribution of farmers bulletins, and services letter and telephone requests for general information received in the Department. It also produces motion pictures, art and graphics materials, and photographic work for the Department and other Government agencies through reimbursements.

The full budget estimate of \$1,238,000 is recommended for 1956, an increase of \$22,000 over the funds appropriated for 1955. The additional funds are provided to enable the Office to handle the increasing volume of requests for information and publications, and to permit printing the Department's List of Publications and the Farmers Bulletin Lists. The funds for these purposes were removed from the appropriation last year and need to be restored to meet demands for information and printed material.

The committee deplores the Department's failure to issue statements and releases to the public on a full and complete basis. A review of the many speeches and releases of the Department during the past year indicates that this information is restricted in nature and does not

fully present all aspects of the various farm problems facing the Nation. The committee believes that the best interests of all segments of our economy will be served if all sides of every issue are presented to the people of the country. It is recommended that steps be taken to disseminate information presenting the farmer's side of the many farm issues.

LIBRARY

Appropriation, 1955.....	\$659, 950
Estimate, 1956.....	659, 950
Recommended, 1956.....	659, 950

The Library, pursuant to the Department's Organic Act of 1862, and under delegation from the Secretary, procures and preserves all information concerning agriculture. Under the Act establishing the Department, the Library also serves as the national agricultural library.

The budget estimate of \$659,950 is recommended for the coming fiscal year. This will enable the Library to continue its operations on the same basis as authorized for 1955.

COMMODITY CREDIT CORPORATION

Restoration of capital impairment

Estimate, 1956.....	\$1, 634, 659
Recommended, 1956.....	1, 634, 659
Comparison: 1955 appropriation.....	+1, 634, 659

Administrative expense limitation

Authorization, 1955.....	\$25, 290, 000
Estimate, 1956.....	26, 000, 000
Recommended, 1956.....	26, 000, 000
Comparison: 1955 authorization.....	+710, 000

In recent years the restoration of capital impairment of the Commodity Credit Corporation has been handled through note cancellation. In the future, however, restorations will be handled by direct appropriation, as provided by legislation adopted last year. The realized loss during the fiscal year 1954 was \$547.2 million. However, because of a change in restoration from projected to realized loss, all but \$1,634,659 of the 1954 impairment can be covered from funds provided last year.

In connection with the administrative expense limitation of the Corporation, the committee is recommending the full budget request of \$26,000,000. Of this amount \$2,000,000 has been placed in reserve to be used to expand and strengthen the sales effort of the Corporation.

After full hearings and thorough consideration of the many problems resulting from the large stocks of commodities carried by the Corporation, the committee is convinced that a change in basic sales policy must be made and a strong and affirmative sales program must be developed. Testimony presented to the committee indicates that the present program for disposal of these commodities is largely limited to barter, sales for foreign currencies, and donations. The hearing records on this point are full of such terms as "removal," "disappearance," "barter," "give-away," and "disposal," with a complete lack of reference to plans for the sale of commodities for dollars, as authorized and contemplated by the Corporation's basic charter.

In order to enable the Corporation to establish an effective sales program, the committee has earmarked \$2,000,000 of the adminis-

trative funds for this purpose. It believes that the employment of an experienced sales manager and the establishment of a proper sales organization to move these stocks into world markets on a competitive bid basis will result in saving hundreds of millions of dollars.

One of the primary arguments given in support of flexible price supports is the need to reduce the Government's investment in farm commodities. Figures available from the Department indicate that savings which might result from lowered support prices are being fully offset by the very heavy storage costs resulting from the Corporation's failure to keep its stocks moving into normal channels of world trade at prices which will sell them.

In addition to removing one of the most serious threats to our agricultural programs, this establishment of such a sales policy should make possible substantial savings in storage and warehousing charges. As discussed elsewhere in this report, approximately half of commodity losses in recent years are represented by storage and warehousing charges. In fiscal year 1954, storage, warehousing and transportation charges totalled \$224 million, and the Department estimates that such costs will exceed \$263 million during the fiscal year 1955.

The committee further recommends that amounts paid for storage in the fiscal year 1956 be reduced by not less than 20 percent below 1955. In order that Congress may be kept currently advised of progress made on this problem, it is requested that a semi-annual report be submitted to the appropriate committees, showing (1) the quantity and inventory value of commodities on hand which have not been offered for sale in world trade on a competitive basis, and (2) the storage charges on all commodities which have been held by the Corporation for more than 18 months.

RESEARCH ON STRATEGIC AND CRITICAL AGRICULTURAL MATERIALS

Appropriation, 1955-----	\$331, 500
Estimate, 1956-----	300, 000
Recommended, 1956-----	300, 000
Comparison: 1955 appropriation-----	-31, 500

The Strategic and Critical Materials Stockpiling Act of 1946 authorizes and directs the Secretary of Agriculture to make scientific, technologic, and economic investigations of the feasibility of developing domestic sources of any agricultural material or substitute for such materials determined to be strategic and critical. This appropriation is to enable the Department to carry out its responsibilities under this act.

The Committee recommends the budget estimate of \$300,000 for the fiscal year 1956. The decrease of \$31,500 is due to the planned completion of certain phases of present investigations on vegetable tannins. Research and investigations on vegetable fats and oils and fiber plants will be continued in 1956 on the same basis as in 1955.

REIMBURSEMENTS TO COMMODITY CREDIT CORPORATION

The bill for 1956 provides reimbursement to the Commodity Credit Corporation for funds advanced to finance special programs authorized by Congress as follows: eradication of foot-and-mouth disease in Mexico, \$5,788,897; International Wheat Agreement, \$57,378,551; wheat to Pakistan, \$69,273,881; emergency feed assistance, \$42,100,000; and famine relief to friendly peoples, \$9,676,628.

The first two items have been handled in previous years by note cancellation. Due to a change in law adopted by Congress last year, these reimbursements are now carried as appropriations.

The last three items listed above are included in this bill for the first time, and are based on specific acts of Congress adopted in the 83d Congress. The furnishing of wheat to Pakistan was carried out under Public Law 77, 83d Congress, which authorized the appropriation of funds to reimburse the Corporation for its investment in the wheat furnished, including handling and other costs incurred in making deliveries. The furnishing of feed and seed to farmers and stockmen in major disaster areas was authorized by Public Law 115 approved July 14, 1953. The famine relief to friendly peoples, authorized by Public Law 216, 83d Congress, covers the furnishing of 2,688,000 bushels of wheat to Bolivia, 361,047 bushels to Jordan, and 82,133 bushels to Libya.

FARM CREDIT ADMINISTRATION

Authorizations, 1955.....	\$6, 250, 000
Estimates, 1956.....	6, 290, 000
Recommended, 1956.....	6, 290, 000
Comparison: 1955 authorizations.....	+ 40, 000

The Farm Credit Administration provides supervision, examination, facilities and services to a coordinated system of farm credit banks and corporations which make loans to farmers and their cooperatives. The Administration is an independent agency under the direction of the Federal Farm Credit Board. It was originally created in 1933 and was transferred to the Department of Agriculture in 1939. It was re-established as an independent agency by the Farm Credit Act of 1953.

The committee has approved the full budget estimate of \$6,290,000 for the Farm Credit Administration and its member institutions, an increase of \$40,000 over 1955. The amount recommended includes \$2,320,000 for the parent organization, the Farm Credit Administration, \$550,000 for the Federal Farm Mortgage Corporation, \$1,825,000 for the Federal intermediate credit banks, and \$1,595,000 for the production credit corporations. These amounts represent limitations on the amount of the corporate funds of these organizations which can be used for administrative purposes. They are not direct appropriations from the Treasury of the United States.

The small increase is recommended in view of the increasing credit problems resulting from declining farm income. With the large increase in farm debt and the ever tightening price-cost squeeze on the farmer, it will be necessary for the intermediate credit banks and the production credit corporations to make more comprehensive credit analyses to assure sound loans and to reduce collection problems.

GENERAL PROVISIONS

The General Provisions contained in the accompanying bill are the same as those which have been included for a number of years. The only changes are found in section 501, where the limitation on replacement of passenger carrying vehicles is increased slightly, and in section 506, where reference to basic legislation adopted last year has been added.

For a number of years, the committee has encouraged the Department to carry on a portion of its research work by contract under

section 506. This has been based on the belief that such arrangements would not only improve the quality of research findings, but would limit to some extent the number of permanent research personnel added to the rolls of the Department. Recent investigation reports indicate that some of the research contracts under this section have been awarded to large and well established organizations able to conduct such research without financial aid from the Federal government. Some of these have been in existence continuously since 1947 for the same line of research. The committee seriously questions whether these well established organizations should continue to look to the Federal government as an established source of income for such research work.

LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations and legislative provisions not heretofore carried in any appropriation act are included in the bill:

On page 2, line 25, in connection with the Agricultural Research Service:

Provided further, That appropriations hereunder shall be available for uniforms, or advances therefore, as authorized by the Act of September 1, 1954 (68 Stat. 1114):

On page 3, line 7, in connection with the Agricultural Research Service:

Provided, That not less than \$200,000 of this appropriation shall be available to conduct a special study of (1) the effect on farm income and the general economy of the United States of acreage reductions imposed on 1954 and 1955 crops, and (2) the most satisfactory solution to this problem, including the encouragement of sound soil conservation practices upon land diverted from production under such acreage restrictions.

On page 14, line 8, in connection with the Agricultural Conservation Program:

except where the participants from two or more farms or ranches join to carry out approved practices designed to conserve or improve the agricultural resources of the community.

On page 17, line 8, in connection with marketing research and agricultural estimates:

Provided, That not less than \$1,000,000 of the funds contained in this appropriation shall be available to gather statistics and conduct a special study on the price spread between the farmer and the consumer:

On page 18, line 25, in connection with the Foreign Agricultural Service:

Provided, That not less than \$500,000 of the funds contained in this appropriation shall be available to obtain statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis.

On page 26, line 11, in connection with the Federal Crop Insurance Corporation:

Provided further, That not to exceed \$1,500,000 of administrative and operating expenses may be paid from premium income.

On page 27, line 2, in connection with the Commodity Credit Corporation:

Provided further, That \$2,000,000 of this appropriation shall be available only to expand and strengthen the sales program of the Corporation pursuant to authority contained in the Corporation's charter.

PERMANENT AUTHORIZATIONS

Agency and item	Authorizations, 1955	Estimates, 1956	Increase or decrease
Agricultural Marketing Service:			
Perishable Agricultural Commodities Act Fund-----	\$390, 000	\$390, 000	-----
Removal of surplus agricultural commodities-----	180, 091, 952	168, 000, 000	-\$12, 091, 952
Total, Agricultural Marketing Service-----	180, 481, 952	168, 390, 000	-12, 091, 952
Commodity Stabilization Service: National Wool Act-----	-----	200, 000	+200, 000
Total, permanent authorizations-----	180, 481, 952	168, 590, 000	-11, 891, 952

LOAN AUTHORIZATION

(TITLE I)

Agency and item	Authorizations, 1955	Estimates, 1956	Recommended in bill for 1956	Bill compared with—	
				1955 authorizations	1956 estimates
Rural Electrification Administration:					
Electrification-----	\$135, 000, 000	\$160, 000, 000	\$160, 000, 000	+\$25, 000, 000	-----
Telephone-----	75, 000, 000	70, 000, 000	75, 000, 000	-----	+\$5, 000, 000
Total, Rural Electrification Administration-----	210, 000, 000	230, 000, 000	235, 000, 000	+\$25, 000, 000	+\$5, 000, 000
Farmers' Home Administration:					
Farm ownership and housing-----	19, 000, 000	13, 000, 000	19, 000, 000	-----	+6, 000, 000
Production and subsistence-----	122, 500, 000	122, 500, 000	122, 500, 000	-----	-----
Soil and water conservation-----	11, 500, 000	11, 500, 000	11, 500, 000	-----	-----
Total, Farmers' Home Administration-----	153, 000, 000	147, 000, 000	153, 000, 000	-----	+6, 000, 000
Total, loan authorizations-----	363, 000, 000	377, 000, 000	388, 000, 000	+\$25, 000, 000	+\$11, 000, 000

CORPORATE EXPENSES
(TITLE II)

Agency and item	Authorizations, 1955	Estimates, 1956	Recommended in bill for 1956	Bill compared with—	
				1955 authorizations	1956 estimates
Commodity Credit Corporation:					
Restoration of capital impairment-----	(1)	\$1, 634, 659	\$1, 634, 659	+\$1, 634, 659	-----
Administrative expense limitation-----	(\$25, 290, 000)	(26, 000, 000)	(26, 000, 000)	(+710, 000)	-----
Total, corporate expenses-----	-----	1, 634, 659	1, 634, 659	+1, 634, 659	-----

¹ Handled by note cancellation.

SPECIAL ACTIVITIES

(TITLE III)

Agency and item	Authorizations, 1955	Estimates, 1956	Recommended in bill for 1956	Bill compared with—	
				1955 authorizations	1956 estimates
Research on strategic and critical agricultural materials—	\$331, 500	\$300, 000	\$300, 000	—\$31, 500	-----
Reimbursements to Commodity Credit Corporation:					
Eradication of foot-and-mouth and other contagious diseases of animals and poultry-----	(1)	5, 788, 897	5, 788, 897	+5, 788, 897	-----
International Wheat Agreement-----	(1)	57, 378, 551	57, 378, 551	+57, 378, 551	-----
Wheat to Pakistan-----		69, 273, 881	69, 273, 881	+69, 273, 881	-----
Emergency feed assistance-----		42, 100, 000	42, 100, 000	+42, 100, 000	-----
Famine relief to friendly peoples-----		9, 676, 628	9, 676, 628	+9, 676, 628	-----
Total reimbursements to Commodity Credit Corporation-----		184, 217, 957	184, 217, 957	+184, 217, 957	-----
Total, special activities-----	331, 500	184, 517, 957	184, 517, 957	+184, 186, 457	-----

¹ Handled by note cancellation.

FARM CREDIT ADMINISTRATION
(Administrative Expense Limitations)
(TITLE IV)

Agency and item	Authorizations, 1955	Estimates, 1956	Recommended in bill for 1956	Bill compared with—	
				1955 authorizations	1956 estimates
Farm Credit Administration-----	\$2, 320, 000	\$2, 320, 000	\$2, 320, 000	-----	-----
Federal Farm Mortgage Corporation-----	650, 000	550, 000	550, 000	-\$100, 000	-----
Federal intermediate credit banks-----	1, 740, 000	1, 825, 000	1, 825, 000	+85, 000	-----
Production Credit Corporations-----	1, 540, 000	1, 595, 000	1, 595, 000	+55, 000	-----
Total, Farm Credit Administration-----	6, 250, 000	6, 290, 000	6, 290, 000	+40, 000	-----

COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1955, ESTIMATES FOR 1956, AND AMOUNTS
RECOMMENDED IN THE BILL FOR 1956

REGULAR ACTIVITIES

(TITLE I)

Agency and item	Appropriations, 1955	Estimates, 1956	Recommended in bill for 1956	Bill compared with—	
				1955 appropriations	1956 estimates
Agricultural Research Service:					
Salaries and expenses:					
Research-----	\$35, 822, 000	\$37, 684, 000	\$37, 000, 000	+ \$1, 178, 000	— \$684, 000
Plant and animal disease and pest control-----	² 18, 189, 579	17, 254, 000	17, 750, 000	— 439, 579	+ 496, 000
Meat inspection-----	14, 325, 000	14, 325, 000	14, 325, 000	-----	-----
Total, salaries and expenses-----	68, 336, 579	69, 263, 000	69, 075, 000	+ 738, 421	— 188, 000
Payments to States, Hawaii, Alaska, and Puerto Rico-----	19, 453, 708	24, 753, 708	24, 753, 708	+ 5, 300, 000	-----
Foot-and-mouth and other contagious diseases of animals and poultry—Research-----	1, 900, 000	1, 900, 000	1, 900, 000	-----	-----
Total, Agricultural Research Service-----	89, 690, 287	95, 916, 708	95, 728, 708	+ 6, 038, 421	— 188, 000
Extension Service:					
Payments to States, Hawaii, Alaska, and Puerto Rico-----	39, 675, 000	45, 475, 000	45, 475, 000	+ 5, 800, 000	-----

² Includes \$500,000 contained in Second Supplemental Appropriation Act, 1955, now pending.

Comparative statement of appropriations for 1955, estimates for 1956, and amounts recommended in the bill for 1956—Con.

(TITLE I)—Continued

Agency and item	Appropriations, 1955	Estimates, 1956	Recommended in bill for 1956	Bill compared with—	
				1955 appropriations	1956 estimates
Extension Service—Continued					
Federal Extension Service:					
Administration and coordination-----	\$1, 920, 000	\$1, 920, 000	\$1, 920, 000		-----
Penalty mail-----	1, 942, 500	1, 942, 500	1, 500, 000	-\$442, 500	-\$442, 500
Total, administration and coordination----	3, 862, 500	3, 862, 500	3, 420, 000	-442, 500	-442, 500
Total, Extension Service-----	43, 537, 500	49, 337, 500	48, 895, 000	+5, 357, 500	-442, 500
Farmer Cooperative Service-----	408, 000	408, 000	408, 000		-----
Soil Conservation Service:					
Conservation operations-----	57, 568, 579	55, 696, 200	58, 612, 579	+1, 044, 000	+2, 916, 379
Watershed protection-----	7, 210, 000	11, 000, 000	12, 000, 000	+4, 790, 000	+1, 000, 000
Flood prevention-----	9, 195, 292	8, 700, 000	10, 000, 000	+804, 708	+1, 300, 000
Water conservation and utilization projects-----	480, 000			-480, 000	-----
Total, Soil Conservation Service-----	74, 453, 871	75, 396, 200	80, 612, 579	+6, 158, 708	+5, 216, 379
Agricultural conservation program-----	191, 700, 000	³ 250, 000, 000	214, 500, 000	+22, 800, 000	-35, 500, 000

³ Budget language provided for reduction by amount of unused 1953 balances, not definite at time estimate prepared.

Agricultural Marketing Service:									
Marketing research and service:									
Marketing research and agricultural estimates					10, 223, 000	10, 981, 000	10, 981, 000	+ 758, 000	-----
Marketing services					11, 575, 500	11, 415, 000	11, 810, 000	+ 234, 500	+ 395, 000
Total, marketing research and service					21, 798, 500	22, 396, 000	22, 791, 000	+ 992, 500	+ 395, 000
Payments to States, Territories, and possessions					900, 000	1, 000, 000	1, 000, 000	+ 100, 000	-----
Repayment to Commodity Credit Corporation					441, 655	-----	-----	- 441, 655	-----
School lunch program					83, 236, 197	68, 000, 000	83, 236, 197	-----	+ 15, 236, 197
Total, Agricultural Marketing Service					106, 376, 352	91, 396, 000	107, 027, 197	+ 650, 845	+ 15, 631, 197
Foreign Agricultural Service					2, 515, 000	3, 365, 000	3, 365, 000	+ 850, 000	-----
Commodity Exchange Authority					693, 000	698, 000	698, 000	+ 5, 000	-----
Commodity Stabilization Service:									
Agricultural adjustment programs					41, 250, 000	39, 000, 000	39, 000, 000	- 2, 250, 000	-----
Sugar Act program					59, 600, 000	61, 600, 000	59, 600, 000	-----	- 2, 000, 000
Total, Commodity Stabilization Service					100, 850, 000	100, 600, 000	98, 600, 000	- 2, 250, 000	- 2, 000, 000
Federal crop insurance, salaries and expenses					6, 000, 000	6, 000, 000	6, 000, 000	-----	-----
Rural Electrification Administration, salaries and expenses					7, 285, 000	7, 680, 000	7, 680, 000	+ 395, 000	-----
Farmers' Home Administration, salaries and expenses					23, 550, 000	24, 500, 000	24, 500, 000	+ 950, 000	-----
Office of General Counsel					2, 079, 000	2, 164, 000	2, 079, 000	-----	- 85, 000

Comparative statement of appropriations for 1955, estimates for 1956, and amounts recommended in the bill for 1956—Con.

(TITLE I)—Continued

Agency and item	Appropriations, 1955	Estimates, 1956	Recommended in bill for 1956	Bill compared with—	
				1955 appropriations	1956 estimates
Office of Secretary	\$2, 116, 000	\$2, 172, 600	\$2, 116, 000	-----	—\$56, 600
Office of Information	1, 216, 000	1, 238, 000	1, 238, 000	+\$22, 000	-----
Library	659, 950	659, 950	659, 950	-----	-----
Total, regular activities	653, 129, 960	711, 531, 958	694, 107, 434	+40, 977, 474	—17, 424, 524

○

NOTICE : This bill is given out subject to release when consideration of it has been completed by the Whole Committee. Please check on such action before release in order to be advised of any changes.

[FULL COMMITTEE PRINT]

Union Calendar No.

84TH CONGRESS
1ST SESSION

H. R.

[Report No.]

IN THE HOUSE OF REPRESENTATIVES

MARCH 25, 1955

Mr. WHITTEN, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

Making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1956, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the Depart-
5 ment of Agriculture and Farm Credit Administration for
6 the fiscal year ending June 30, 1956, namely:

1 DEPARTMENT OF AGRICULTURE
2 TITLE I—REGULAR ACTIVITIES
3 AGRICULTURAL RESEARCH SERVICE
4 SALARIES AND EXPENSES

5 For expenses necessary to perform agricultural research
6 relating to production and utilization, to control and eradicate
7 pests and plant and animal diseases, and to perform
8 related inspection, quarantine and regulatory work, and
9 meat inspection: *Provided*, That not to exceed \$15,000 of
10 the appropriations hereunder shall be available for employ-
11 ment pursuant to the second sentence of section 706 (a) of
12 the Organic Act of 1944 (5 U. S. C. 574), as amended
13 by section 15 of the Act of August 2, 1946 (5 U. S. C.
14 55a) : *Provided further*, That appropriations hereunder shall
15 be available for the operation and maintenance of aircraft
16 and the purchase (for emergency replacement only) of not
17 to exceed one: *Provided further*, That appropriations here-
18 under shall be available pursuant to 5 U. S. C. 565a
19 for the construction, alteration, and repair of buildings
20 and improvements, but unless otherwise provided, the
21 cost of constructing any one building (except headhouses
22 connecting greenhouses) shall not exceed \$7,500 and the
23 cost of altering any one building during the fiscal year shall
24 not exceed \$3,750 or two per centum of the cost of the
25 building, whichever is greater: *Provided further*, That ap-
26 propriations hereunder shall be available for uniforms, or

1 allowances therefor, as authorized by the Act of September 1,
2 1954 (68 Stat. 1114) :

3 Research: For research and demonstrations on the pro-
4 duction and utilization of agricultural products, and related
5 research and services, including administration of payments
6 to State Agricultural Experiment Stations; \$37,000,000:
7 *Provided*, That not less than \$200,000 of this appropriation
8 shall be available to conduct a special study of (1) the effect
9 on farm income and the general economy of the United
10 States of acreage reductions imposed on 1954 and 1955
11 crops, and (2) the most satisfactory solution to this prob-
12 lem, including the encouragement of sound soil conservation
13 practices upon land diverted from production under such
14 acreage restrictions.

15 Plant and animal disease and pest control: For opera-
16 tions and measures to control and eradicate pests and
17 plant and animal diseases and for carrying out assigned
18 inspection, quarantine and regulatory activities, as author-
19 ized by law; \$17,750,000, of which \$400,000 shall be
20 apportioned for use pursuant to section 3679 of the
21 Revised Statutes, as amended, for the control of out-
22 breaks of insects and plant diseases under the joint reso-
23 lution approved May 9, 1938 (7 U. S. C. 148-148e), and
24 the Act of August 13, 1954 (Public Law 586), to the extent
25 necessary to meet emergency conditions: *Provided further*,

1 That no part of this appropriation shall be used to pay the
2 cost or value of trees, farm animals, farm crops, or other
3 property injured or destroyed as a result of plant insect
4 and disease control activities except potatoes and tomatoes
5 as authorized under the Golden Nematode Act: *Provided*
6 *further*, That, in the discretion of the Secretary, no part of
7 this appropriation shall be expended for the control of sweet-
8 potato weevil in any State until such State has provided
9 cooperation necessary to accomplish this purpose, or for
10 barberry eradication until a sum or sums at least equal to
11 such expenditures shall have been made available by States,
12 counties, or local authorities, or by individuals or organiza-
13 tions for the accomplishment of this purpose, or with respect
14 to the golden nematode except as prescribed in section 4 of
15 the Golden Nematode Act.

16 Meat inspection: For carrying out the provisions of laws
17 relating to Federal inspection of meat and meat-food products
18 and the applicable provisions of the laws relating to process
19 or renovated butter; \$14,325,000.

20 PAYMENTS TO STATES, HAWAII, ALASKA, AND PUERTO RICO

21 For payments to the States, Hawaii, Alaska, and Puerto
22 Rico to be paid quarterly in advance where applicable, to
23 carry into effect the provisions of the following Acts relating
24 to agricultural experiment stations:

25 Hatch Act, the Act approved March 2, 1887 (7 U. S. C.

1 362, 363, 365, 368, 377-379), \$720,000; Adams Act, the
2 Act approved March 16, 1906 (7 U. S. C. 369), \$720,000;
3 Purnell Act, the Act approved February 24, 1925 (7
4 U. S. C. 361, 366, 370, 371, 373-376, 380, 382);
5 \$2,880,000; Bankhead-Jones Act, title I of the Act approved
6 June 29, 1935 (7 U. S. C. 427-427g), sections 3 and 5,
7 \$2,863,708, and sections 9 and 11 of said Act as added by
8 the Act of August 14, 1946 (7 U. S. C. 427h, 427j), includ-
9 ing administration by the Office of Experiment Stations in
10 the United States Department of Agriculture, \$16,800,-
11 000, no part of which latter amount shall be used
12 for beginning construction of any building costing in
13 excess of \$15,000; Hawaii, the Act approved May 16, 1928
14 (7 U. S. C. 386-386b), extending the benefits of certain
15 Acts of Congress to the Territory of Hawaii, \$90,000;
16 Alaska, the Act approved February 23, 1929 (7 U. S. C.
17 386c), extending the benefits of the Hatch Act to the Terri-
18 tory of Alaska, \$15,000, and the provisions of section 2 of the
19 Act approved June 20, 1936, as amended (7 U. S. C.
20 369a), extending the benefits of the Adams and Purnell Acts
21 to the Territory of Alaska, \$75,000; Puerto Rico, the Act
22 approved March 4, 1931, as amended (7 U. S. C. 386d-
23 386f), extending the benefits of certain Acts of Congress to
24 Puerto Rico, \$90,000; section 204 (b) of the Agricultural
25 Marketing Act, the Act approved August 14, 1946 (7

1 U. S. C. 1623), \$500,000; in all, payments to States,
2 Hawaii, Alaska, and Puerto Rico, \$24,753,708.

3 FOOT-AND-MOUTH AND OTHER CONTAGIOUS DISEASES OF
4 ANIMALS AND POULTRY

5 Eradication activities: For expenses necessary in the
6 arrest and eradication of foot-and-mouth disease, rinderpest,
7 contagious pleuro-pneumonia, or other contagious or infec-
8 tious diseases of animals, or European fowl pest and similar
9 diseases in poultry, including the payment of claims grow-
10 ing out of destruction of animals (including poultry) af-
11 fected by or exposed to, or of materials contaminated by or
12 exposed to, any such disease, when there has been compli-
13 ance with all lawful quarantine regulations, and for foot-and-
14 mouth disease and rinderpest programs undertaken pursuant
15 to the provisions of the Act of February 28, 1947, and the
16 Act of May 29, 1884, as amended (7 U. S. C. 391; 21
17 U. S. C. 111-122), including expenses in accordance with
18 section 2 of said Act of February 28, 1947, the Secretary
19 may transfer from other appropriations or funds available to
20 the bureaus, corporations, or agencies of the Department
21 such sums as he may deem necessary, but not to exceed
22 \$2,250,000 for eradication of vesicular exanthema of swine,
23 to be available only in an emergency which threatens
24 the livestock or poultry industry of the country, and any
25 unexpended balances of funds transferred under this head

1 in the next preceding fiscal year shall be merged with
 2 such transferred amounts: *Provided*, That, except for pay-
 3 ments made pursuant to said Act of February 28, 1947, the
 4 payment for animals may be made on appraisement based on
 5 the meat, egg-production, dairy, or breeding value, but in
 6 case of appraisement based on breeding value no appraise-
 7 ment of any animal shall exceed three times its meat, egg-
 8 production, or dairy value and, except in case of an extraor-
 9 dinary emergency to be determined by the Secretary, the
 10 payment by the United States shall not exceed one-half of
 11 any such appraisements: *Provided further*, That this appro-
 12 priation shall be subject to applicable provisions contained
 13 in the item "Salaries and expenses, Agricultural Research
 14 Service".

15 Research: For expenses necessary for research author-
 16 ized by the Act of April 24, 1948 (21 U. S. C. 113a).
 17 \$1,900,000.

18 EXTENSION SERVICE

19 PAYMENTS TO STATES, HAWAII, ALASKA, AND PUERTO RICO

20 For payments for cooperative agricultural extension work
 21 under the Smith-Lever Act, as amended by the Act of June
 22 26, 1953 (Public Law 83), \$44,155,000; and payments
 23 and contracts for such work under section 204 (b)-205 of
 24 the Agricultural Marketing Act of 1946 (7 U. S. C. 1623-
 25 1624), \$1,320,000; in all, \$45,475,000: *Provided*, That

1 funds hereby appropriated pursuant to section 3 (c)
2 of the Act of June 26, 1953 (Public Law 83) shall not
3 be paid to any State, Hawaii, Alaska, or Puerto Rico prior
4 to availability of an equal sum from non-Federal sources
5 for expenditure during the current fiscal year.

6
FEDERAL EXTENSION SERVICE

7 Administration and coordination: For administration of
8 the Smith-Lever Act, as amended by the Act of June 26,
9 1953 (Public Law 83), and extension aspects of the Agri-
10 cultural Marketing Act of 1946 (7 U. S. C. 1621-1627),
11 and to coordinate and provide program leadership for the
12 extension work of the Department and the several States,
13 Territories, and insular possessions, \$1,920,000.

14 Penalty mail: For costs of penalty mail for cooperative
15 extension agents, \$1,500,000.

16
FARMER COOPERATIVE SERVICE

17 For necessary expenses to carry out the Act of July 2,
18 1926 (7 U. S. C. 451-457), \$408,000.

19
SOIL CONSERVATION SERVICE

20
CONSERVATION OPERATIONS

21 For necessary expenses for carrying out the provisions
22 of the Act of April 27, 1935 (16 U. S. C. 590a-590f),
23 including preparation of conservation plans and establish-
24 ment of measures to conserve soil and water (including farm
25 irrigation and land drainage and such special measures

1 as may be necessary to prevent floods and the siltation
2 of reservoirs) ; operation of conservation nurseries; classi-
3 fication and mapping of soils; dissemination of informa-
4 tion; purchase and erection or alteration of permanent
5 buildings; operation and maintenance of aircraft; and
6 furnishing of subsistence to employees; \$58,612,579:
7 *Provided*, That the cost of any permanent building pur-
8 chased, erected, or as improved, exclusive of the cost of
9 constructing a water supply or sanitary system and connect-
10 ing the same to any such building and with the exception
11 of buildings acquired in conjunction with land being pur-
12 chased for other purposes, shall not exceed \$2,500, except
13 for eight buildings to be constructed or improved at a cost
14 not to exceed \$15,000 per building and except that altera-
15 tions or improvements to other existing permanent buildings
16 costing \$2,500 or more may be made in any fiscal year
17 in an amount not to exceed \$500 per building: *Provided*
18 *further*, That no part of this appropriation shall be avail-
19 able for the construction of any such building on land not
20 owned by the Government: *Provided further*, That in the
21 State of Missouri, where the State has established a central
22 State agency authorized to enter into agreements with the
23 United States or any of its agencies on policies and general
24 programs for the saving of its soil by the extension of Fed-

1 eral aid to any soil conservation district in such State, the
2 agreements made by or on behalf of the United States with
3 any such soil conservation district shall have the prior
4 approval of such central State agency before they shall
5 become effective as to such district: *Provided further*, That
6 no part of this appropriation may be expended for soil and
7 water conservation operations under the Act of April 27,
8 1935 (16 U. S. C. 590a-590f), in demonstration projects:
9 *Provided further*, That not to exceed \$5,000 may be used
10 for employment pursuant to the second sentence of section
11 706 (a) of the Organic Act of 1944 (5 U. S. C.
12 574), as amended by section 15 of the Act of August 2,
13 1946 (5 U. S. C. 55a): *Provided further*, That qualified
14 local engineers may be temporarily employed at per diem
15 rates to perform the technical planning work of the service.

16 WATERSHED PROTECTION

17 For expenses necessary to conduct surveys, investiga-
18 tions, and research and to carry out preventive measures,
19 including, but not limited to, engineering operations,
20 methods of cultivation, the growing of vegetation, and
21 changes in use of land, in accordance with the Watershed
22 Protection and Flood Prevention Act, approved August 4,
23 1954 (Public Law 566), and the provisions of the Act of
24 April 27, 1935 (16 U. S. C. 590a-590f), to remain
25 available until expended, \$12,000,000, with which shall be

1 merged the unexpended balances of funds heretofore appro-
2 priated or transferred to the Department for watershed pro-
3 tection purposes.

4 FLOOD PREVENTION

5 For expenses necessary, in accordance with the Flood
6 Control Act, approved June 22, 1936 (Public Law 738), as
7 amended and supplemented, and in accordance with the
8 provisions of laws relating to the activities of the Depart-
9 ment, to perform works of improvement, including not to
10 exceed \$100,000 for employment pursuant to the second
11 sentence of section 706 (a) of the Organic Act of
12 1944 (5 U. S. C., 574), as amended by section 15 of
13 the Act of August 2, 1946 (5 U. S. C. 55a), at rates
14 for individuals not to exceed \$100 per diem, to remain
15 available until expended, \$10,000,000, with which shall
16 be merged the unexpended balances of funds heretofore ap-
17 propriated or transferred to the Department for flood pre-
18 vention purposes: *Provided*, That no part of such funds shall
19 be used for the purchase of lands in the Yazoo and Little
20 Tallahatchie watersheds without specific approval of the
21 county board of supervisors of the county in which such lands
22 are situated: *Provided further*, That hereafter the funds
23 appropriated for flood prevention purposes may be expended
24 in watersheds heretofore authorized by section 13 of the
25 Flood Control Act of December 22, 1944, as amended, for

1 necessary measures for the prevention of erosion, floodwater,
2 and sediment damages, including gully control, floodwater
3 detention, and floodway structures, in areas other than those
4 over which the Department of the Army has jurisdiction
5 and responsibility.

6 AGRICULTURAL CONSERVATION PROGRAM SERVICE

7 For necessary expenses to carry into effect the provi-
8 sions of sections 7 to 17, inclusive, of the Soil Conservation
9 and Domestic Allotment Act, approved February 29, 1936,
10 as amended (16 U. S. C. 590g-590q), including not to
11 exceed \$6,000 for the preparation and display of exhibits,
12 including such displays at State, interstate, and international
13 fairs within the United States; \$214,500,000, to remain
14 available until December 31 of the next succeeding fiscal
15 year for compliance with the program of soil-building prac-
16 tices and soil- and water-conserving practices authorized
17 under this head in the Department of Agriculture and Farm
18 Credit Administration Appropriation Act 1955, carried
19 out during the period July 1, 1954, to December 31, 1955,
20 inclusive: *Provided*, That not to exceed \$22,500,000 of the
21 total sum provided under this head shall be available during
22 the current fiscal year for salaries and other administrative
23 expenses for carrying out such program, the cost of
24 aerial photographs, however, not to be charged to such
25 limitation; but not more than \$4,020,000 shall be trans-

ferred to the appropriation account, "Administrative expenses, section 392, Agricultural Adjustment Act of 1938":

Provided further, That payments to claimants hereunder may be made upon the certificate of the claimant, which certificate shall be in such form as the Secretary may prescribe, that he has carried out the conservation practice or practices and has complied with all other requirements as conditions for such payments and that the statements and information contained in the application for payment are correct and true, to the best of his knowledge and belief, under the penalties of title 18, United States Code: *Provided further*, That none of the funds herein appropriated or made available for the functions assigned to the Agricultural Adjustment Agency pursuant to the Executive Order Numbered 9069, of February 23, 1942, shall be used to pay the salaries or expenses of any regional information employees or any State information employees, but this shall not preclude the answering of inquiries or supplying of information at the county level to individual farmers: *Provided further*, That such amount shall be available for salaries and other administrative expenses in connection with the formulation and administration of the 1956 program of soil-building practices and soil- and water-conserving practices, under the Act of February 29, 1936, as amended (amounting to \$250,000,000, including

1 administration, and formulated on the basis of a distribution
2 of the funds available for payments and grants among the
3 several States in accordance with their conservation needs
4 as determined by the Secretary, except that the proportion
5 allocated to any State shall not be reduced more than 15
6 per centum from the distribution for the next preceding
7 program year, and no participant shall receive more than
8 \$1,500, except where the participants from two or more
9 farms or ranches join to carry out approved practices de-
10 signed to conserve or improve the agricultural resources of the
11 community) ; but the payments or grants under such pro-
12 grams shall be conditioned upon the utilization of land with
13 respect to which such payments or grants are to be made in
14 conformity with farming practices which will encourage and
15 provide for soil-building and soil- and water-conserving prac-
16 tices in the most practical and effective manner and adapted
17 to conditions in the several States, as determined and
18 approved by the State committees appointed pursuant to
19 section 8 (b) of the Soil Conservation and Domestic Al-
20 lotment Act, as amended (16 U. S. C. 590h (b)), for
21 the respective States: *Provided further*, That not to
22 exceed 5 per centum of the allocation for the 1955 agri-
23 cultural conservation program for any county may, on
24 the recommendation of such county committee and ap-
25 proval of the State committee, be withheld and allotted

1 to the Soil Conservation Service for services of its tech-
2 nicians in formulating and carrying out the agricultural
3 conservation program in the participating counties, and
4 the funds so allotted may be placed in a single account
5 for each State, and shall not be utilized by the Soil Con-
6 servation Service for any purpose other than technical
7 and other assistance in such counties: *Provided further,*
8 That for the 1956 program \$2,500,000 shall be avail-
9 able for technical assistance in formulating and carrying
10 out agricultural conservation practices and \$1,000,000
11 shall be available for conservation practices related
12 directly to flood-prevention work in approved water-
13 sheds: *Provided further,* That in carrying out the
14 1956 program the Secretary shall give particular consid-
15 eration to the conservation problems on farmlands di-
16 verted from crops under acreage-allotment programs:
17 *Provided further,* That such amounts shall be available
18 for the purchase of seeds, fertilizers, lime, trees, or any
19 other farming material, or any soil-terracing services, and
20 making grants thereof to agricultural producers to aid
21 them in carrying out farming practices approved by the
22 Secretary under programs provided for herein: *Provided*
23 *further,* That no part of any funds available to the De-
24 partment, or any bureau, office, corporation, or other
25 agency constituting a part of such Department, shall be

1 used in the current fiscal year for the payment of sal-
2 ary or travel expenses of any person who has been con-
3 victed of violating the Act entitled "An Act to prevent
4 pernicious political activities", approved August 2, 1939, as
5 amended, or who has been found in accordance with the
6 provisions of title 18, United States Code, section 1913, to
7 have violated or attempted to violate such section which
8 prohibits the use of Federal appropriations for the payment
9 of personal services or other expenses designed to influ-
10 ence in any manner a Member of Congress to favor or op-
11 pose any legislation or appropriation by Congress except
12 upon request of any Member or through the proper official
13 channels.

14 AGRICULTURAL MARKETING SERVICE

15 MARKETING RESEARCH AND SERVICE

16 For expenses necessary to carry on research and service
17 to improve and develop marketing and distribution relating
18 to agriculture as authorized by the Agricultural Marketing
19 Act of 1946 (7 U. S. C. 1621-1627) and other laws, in-
20 cluding the administration of marketing regulatory acts
21 connected therewith: *Provided*, That appropriations here-
22 under shall be available pursuant to U. S. C. 565a for the
23 construction, alteration, and repair of buildings and improve-
24 ments, but unless otherwise provided, the cost of erecting
25 any one building shall not exceed \$7,500 and the cost of

1 altering any one building during the fiscal year shall not
2 exceed \$3,750 or 2 per centum of the cost of the building,
3 whichever is greater:

4 Marketing research and agricultural estimates: For
5 research and development relating to agricultural marketing
6 and distribution, for analyses relating to farm prices, income
7 and population, and demand for farm products, and for crop
8 and livestock estimates; \$10,981,000: *Provided*, That not
9 less than \$1,000,000 of the funds contained in this appro-
10 priation shall be available to gather statistics and conduct a
11 special study on the price spread between the farmer and
12 the consumer: *Provided further*, That no part of the funds
13 herein appropriated shall be available for any expense inci-
14 dent to ascertaining, collating, or publishing a report stating
15 the intention of farmers as to the acreage to be planted in
16 cotton, or for estimates of apple production for other than
17 the commercial crop.

18 Marketing services: For services relating to agricul-
19 tural marketing and distribution, for carrying out regulatory
20 acts connected therewith, and for administration and
21 coordination of payments to States; \$11,810,000, in-
22 cluding not to exceed \$25,000 for employment at rates
23 not to exceed \$100 per diem, pursuant to the second
24 sentence of section 706 (a) of the Organic Act of

1 1944 (5 U. S. C. 574), as amended by section 15 of the
 2 Act of August 2, 1946 (5 U. S. C. 55a), in carrying out
 3 section 201 (a) to 201 (d), inclusive, of title II of the
 4 Agricultural Adjustment Act of 1938 (7 U. S. C. 1291)
 5 and section 203 (j) of the Agricultural Marketing Act of
 6 1946.

7 PAYMENTS TO STATES, TERRITORIES, AND POSSESSIONS

8 For payments to departments of agriculture, bureaus
 9 and departments of markets and similar agencies for market-
 10 ing activities under section 204 (b) of the Agricultural
 11 Marketing Act of 1946 (7 U. S. C. 1623 (b)), \$1,000,000.

12 SCHOOL LUNCH PROGRAM

13 For necessary expenses to carry out the provisions of the
 14 National School Lunch Act (42 U. S. C. 1751-1760),
 15 \$83,236,197: *Provided*, That no part of this appropriation
 16 shall be used for nonfood assistance under section 5 of said
 17 Act.

18 FOREIGN AGRICULTURAL SERVICE

19 For necessary expenses for the Foreign Agricultural
 20 Service, including carrying out title VI of the Agricultural
 21 Act of 1954 (Public Law 690, approved August 28,
 22 1954), and for enabling the Secretary to coordinate and
 23 integrate activities of the Department in connection with
 24 foreign agricultural work, including not to exceed \$20,000
 25 for representation allowances, \$3,365,000: *Provided*, That

1 not less than \$500,000 of the funds contained in this appro-
2 priation shall be available to obtain statistics and related
3 facts on foreign production and full and complete informa-
4 tion on methods used by other countries to move farm com-
5 modities in world trade on a competitive basis.

6 COMMODITY EXCHANGE AUTHORITY

7 For necessary expenses to carry into effect the pro-
8 visions of the Commodity Exchange Act, as amended (7
9 U. S. C. 1-17a), \$698,000.

10 COMMODITY STABILIZATION SERVICE

11 AGRICULTURAL ADJUSTMENT PROGRAMS

12 For necessary expenses to formulate and carry out acre-
13 age allotment and marketing quota programs pursuant to
14 provisions of title III of the Agricultural Adjustment Act of
15 1938, as amended (7 U. S. C. 1301-1393), \$39,000,000,
16 of which not more than \$5,500,000 shall be transferred to
17 the appropriation account "Administrative expenses, section
18 392, Agricultural Adjustment Act of 1938".

19 SUGAR ACT PROGRAM

20 For necessary expenses to carry into effect the provisions
21 of the Sugar Act of 1948 (7 U. S. C. 1101-1160),
22 \$59,600,000, to remain available until June 30 of the next
23 succeeding fiscal year: *Provided*, That expenditures (includ-
24 ing transfers) from this appropriation for other than payments
25 to sugar producers shall not exceed \$1,440,000.

1 **FEDERAL CROP INSURANCE CORPORATION** 1

2 For operating and administrative expenses, \$6,000,000.

3 **RURAL ELECTRIFICATION ADMINISTRATION** 2

4 To carry into effect the provisions of the Rural Electri-
5 fication Act of 1936, as amended (7 U. S. C. 901-924), as
6 follows: 3

7 **LOAN AUTHORIZATIONS** 7

8 For loans in accordance with said Act, and for carrying
9 out the provisions of section 7 thereof, to be borrowed from
10 the Secretary of the Treasury in accordance with the pro-
11 visions of section 3 (a) of said Act as follows: Rural elec-
12 trification program, \$160,000,000; and rural telephone
13 program, \$75,000,000; and additional amounts, not to
14 exceed \$100,000,000 for the rural electrification program,
15 may be borrowed under the same terms and conditions
16 to the extent that such additional amounts are required
17 during the fiscal year 1956, under the then existing con-
18 ditions, for the expeditious and orderly development of the
19 program. 4

20 **SALARIES AND EXPENSES** 6

21 For administrative expenses, including not to exceed
22 \$500 for financial and credit reports, and not to exceed
23 \$150,000 for employment pursuant to the second sentence
24 of section 706 (a) of the Organic Act of 1944 (5 U. S. C.

1 574), as amended by section 15 of the Act of August 12,
2 1946 (5 U. S. C. 55a), \$7,680,000.

3 FARMERS' HOME ADMINISTRATION

4 To carry into effect the provisions of titles I, II, and
5 the related provisions of title IV of the Bankhead-Jones
6 Farm Tenant Act, as amended (7 U. S. C. 1000-1031);
7 the Farmers' Home Administration Act of 1946 (7 U. S. C.
8 1001, note; 31 U. S. C. 82h; 12 U. S. C. 371; 35 D. C.
9 Code 535; 60 Stat. 1062-1080); the Act of July 30, 1946
10 (40 U. S. C. 436-439); the Act of August 28, 1937, as
11 amended (16 U. S. C. 590r-590x, 590z-5), for the develop-
12 ment of facilities for water storage and utilization in the
13 arid and semiarid areas of the United States; the provisions
14 of title V of the Housing Act of 1949 (42 U. S. C. 1471-
15 1483), as amended by the Housing Act of 1952 (Public
16 Law 531, approved July 14, 1952), relating to financial
17 assistance for farm housing; the Rural Rehabilitation Corpo-
18 ration Trust Liquidation Act, approved May 3, 1950 (40
19 U. S. C. 440-444); the items "Loans to farmers, 1948
20 flood damage" in the Act of June 25, 1948 (62 Stat.
21 1038), and "Loans to farmers, property damage" in the
22 Act of May 24, 1949 (63 Stat. 82); the collecting and
23 servicing of credit sales and development accounts in water

1 conservation and utilization projects (53 Stat. 685, 719),
2 as amended and supplemented (16 U. S. C. 590y, z1 and
3 z10) ; and the Act to direct the Secretary of Agriculture
4 to convey certain mineral interests, approved September 6,
5 1950 (7 U. S. C. 1033-1039) , as follows :

6 LOAN AUTHORIZATIONS

7 For loans (including payments in lieu of taxes and
8 taxes under section 50 of the Bankhead-Jones Farm Tenant
9 Act, as amended, and advances incident to the acquisition
10 and preservation of security of obligations under the fore-
11 going several authorities) : Title I and section 43 of title
12 IV of the Bankhead-Jones Farm Tenant Act, as amended,
13 \$19,000,000, of which not to exceed \$5,000,000 may be
14 distributed to States and Territories without regard to farm
15 population and prevalence of tenancy, in addition to the
16 amount otherwise distributed thereto, for loans in reclamation
17 projects and to entrymen on unpatented public land ; title II
18 of the Bankhead-Jones Farm Tenant Act, as amended,
19 \$122,500,000 ; the Act of August 28, 1937, as amended,
20 \$11,500,000 : *Provided*, That not to exceed the foregoing
21 several amounts shall be borrowed in one account from the
22 Secretary of the Treasury in accordance with the provisions
23 set forth under this head in the Department of Agriculture
24 Appropriation Act, 1952.

SALARIES AND EXPENSES

For making, servicing, and collecting loans and insured mortgages, the servicing and collecting of loans made under prior authority, the liquidation of assets transferred to Farmers' Home Administration, and other administrative expenses, \$24,500,000, together with a transfer of not to exceed \$400,000 of the fees and administrative expense charges made available by subsections (d) and (e) of section 12 of the Bankhead-Jones Farm Tenant Act, as amended.

OFFICE OF THE GENERAL COUNSEL

For necessary expenses, including payment of fees or dues for the use of law libraries by attorneys in the field service, \$2,079,000, together with such amounts from other appropriations or authorizations as are provided in the schedules in the budget for the current fiscal year for such expenses, which several amounts not exceeding a total of \$300,000 shall be transferred to and made a part of this appropriation.

OFFICE OF THE SECRETARY

For expenses of the Office of the Secretary of Agriculture, including the purchase of one passenger motor vehicle for replacement only; expenses of the National Agricultural Advisory Commission; stationery, supplies, materials, and equipment; freight, express, and drayage charges; advertising of bids, communication service, postage, washing

1 towels, repairs and alterations, and other miscellaneous sup-
2 plies and expenses not otherwise provided for and necessary
3 for the practical and efficient work of the Department of
4 Agriculture; \$2,116,000, together with such amounts from
5 other appropriations or authorizations as are provided in
6 the schedules in the budget for the current fiscal year for
7 such services and expenses, which several amounts or por-
8 tions thereof, as may be determined by the Secretary, not
9 exceeding a total of \$84,280, shall be transferred to and
10 made a part of this appropriation.

11 OFFICE OF INFORMATION

12 For necessary expenses of the Office of Information for
13 the dissemination of agricultural information and the coör-
14 dination of informational work and programs authorized
15 by Congress in the Department, \$1,238,000, together
16 with such amounts from other appropriations or au-
17 thorizations as are provided in the schedules in the budget
18 for the current fiscal year for such expenses, which several
19 amounts not exceeding a total of \$16,014 shall be transferred
20 to and made a part of this appropriation, of which total
21 appropriation not to exceed \$537,000 may be used for
22 farmers' bulletins, which shall be adapted to the interests of
23 the people of the different sections of the country, an equal
24 proportion of four-fifths of which shall be delivered to or sent
25 out under the addressed franks furnished by the Senators,

1 Representatives, and Delegates in Congress, as they shall
2 direct (7 U. S. C. 417) and not less than two hundred thirty
3 thousand eight hundred and fifty copies for the use of the
4 Senate and House of Representatives of part 2 of the annual
5 report of the Secretary (known as the Yearbook of Agriculture)
6 as authorized by section 73 of the Act of January 12,
7 1895 (44 U. S. C. 241) : *Provided*, That in the preparation
8 of motion pictures or exhibits by the Department, not ex-
9 ceeding a total of \$10,000 may be used for employment
10 pursuant to the second sentence of section 706 (a) of the
11 Organic Act of 1944 (5 U. S. C. 574), as amended by
12 section 15 of the Act of August 2, 1946 (5 U. S. C. 55a) :
13 *Provided further*, That no part of this appropriation shall be
14 used for the establishment or maintenance of regional or State
15 field offices, or for the compensation of employees in such
16 offices.

17 LIBRARY

18 For necessary expenses, including dues for library mem-
19 bership in societies or associations which issue publications
20 to members only or at a price to members lower than to sub-
21 scribers who are not members, \$659,950.

22 TITLE II—CORPORATIONS

23 The following corporations and agencies are hereby
24 authorized to make such expenditures, within the limits of
25 funds and borrowing authority available to each such cor-

1 poration or agency and in accord with law, and to make such
2 contracts and commitments without regard to fiscal year
3 limitations as provided by section 104 of the Government
4 Corporation Control Act, as amended, as may be necessary
5 in carrying out the programs set forth in the budget for the
6 fiscal year 1956 for such corporation or agency, except as
7 hereinafter provided:

8 Federal Crop Insurance Corporation: *Provided*, That the
9 direct costs of loss adjusters for crop inspections and loss
10 adjustments may be considered as nonadministrative or non-
11 operating expenses: *Provided further*, That not to exceed
12 \$1,500,000 of administrative and operating expenses may be
13 paid from premium income.

14 COMMODITY CREDIT CORPORATION

15 RESTORATION OF CAPITAL IMPAIRMENT

16 To restore the capital impairment of the Commodity
17 Credit Corporation determined by the appraisal of June
18 30, 1954, pursuant to section 1 of the Act of March 8, 1938,
19 as amended (15 U. S. C. 713a-1), \$1,634,659.

20 LIMITATION ON ADMINISTRATIVE EXPENSES

21 Nothing in this Act shall be so construed as to prevent
22 the Commodity Credit Corporation from carrying out any
23 activity or any program authorized by law: *Provided*, That

1 not to exceed \$26,000,000 shall be available for admin-
2 istrative expenses of the Corporation: *Provided further,*
3 That \$2,000,000 of this authorization shall be available only
4 to expand and strengthen the sales program of the Corpora-
5 tion pursuant to authority contained in the Corporation's
6 charter: *Provided further,* That all necessary expenses (in-
7 cluding legal and special services performed on a contract
8 or fee basis, but not including other personal services) in
9 connection with the acquisition, operation, maintenance, im-
10 provement, or disposition of any real or personal property
11 belonging to the Corporation or in which it has an interest,
12 including expenses of collections of pledged collateral, shall
13 be considered as nonadministrative expenses for the pur-
14 poses hereof.

15 TITLE III—SPECIAL ACTIVITIES

16 RESEARCH ON STRATEGIC AND CRITICAL AGRICULTURAL

17 MATERIALS

18 For expenses necessary to carry out section 7 (b) of
19 the Strategic and Critical Materials Stock Piling Act of
20 July 23, 1946 (50 U. S. C. 98f), \$300,000: *Provided,*
21 That this appropriation shall be subject to applicable pro-
22 visions contained in the item "Salaries and expenses, Agri-
23 cultural Research Service".

1 REPAYMENT TO COMMODITY CREDIT CORPORATION FOR
2 ERADICATION OF FOOT-AND-MOUTH AND OTHER CON-
3 TAGIOUS DISEASES OF ANIMALS AND POULTRY

4 For reimbursement to Commodity Credit Corporation
5 for sums transferred to the appropriation "Eradication of
6 foot-and-mouth and other contagious diseases of animals and
7 poultry", fiscal year 1954 (including interest thereon through
8 June 30, 1955), pursuant to authority contained under such
9 head in the Department of Agriculture Appropriation Act,
10 1954, \$5,788,897.

11 INTERNATIONAL WHEAT AGREEMENT

12 To discharge indebtedness of the Commodity Credit
13 Corporation to the Secretary of the Treasury for the net
14 costs during the fiscal year 1954 (including interest thereon
15 through June 30, 1955) under the International Wheat
16 Agreement Act of 1949, as amended (7 U. S. C. 1641-
17 1642), \$57,378,551.

18 REIMBURSEMENT TO COMMODITY CREDIT CORPORATION
19 FOR TRANSFER OF WHEAT TO PAKISTAN

20 To reimburse the Commodity Credit Corporation for
21 its investment (including costs of handling, delivery, and
22 interest through June 30, 1955) in wheat transferred to
23 the Government of Pakistan under the Act of June 25,
24 1953 (67 Stat. 80), \$69,273,881.

1 REIMBURSEMENT TO COMMODITY CREDIT CORPORATION
2 FOR EMERGENCY FEED ASSISTANCE

3 To reimburse the Commodity Credit Corporation for
4 losses representing the difference between the value of feed
5 furnished farmers and stockmen in disaster areas and sales
6 price received by the Corporation, \$42,100,000.

7 REIMBURSEMENT TO COMMODITY CREDIT CORPORATION
8 FOR EMERGENCY FAMINE RELIEF TO FRIENDLY
9 PEOPLES

10 To reimburse the Commodity Credit Corporation for
11 its investment (including costs of handling, delivery, and
12 interest through June 30, 1955) in commodities disposed
13 of under the Act of August 7, 1953 (67 Stat. 476),
14 \$9,676,628.

15 TITLE IV—FARM CREDIT ADMINISTRATION

16 Not to exceed \$2,320,000 (from assessments collected
17 from farm credit agencies) shall be obligated during the
18 current fiscal year for administrative expenses, including
19 \$3,500 for the purchase and installation of air-conditioning
20 equipment (40 U. S. C. 317).

21 Federal Farm Mortgage Corporation: Not to exceed
22 \$550,000 (to be computed on an accrual basis) of the
23 funds of the Corporation shall be available for admin-
24 istrative expenses, including employment on a contract or fee

1 basis of persons, firms, and corporations for the perform-
2 ance of special services, including legal services, and the use
3 of the services and facilities of Federal land banks,
4 national farm loan associations, Federal Reserve banks,
5 and agencies of the Government as authorized by the
6 Act of January 31, 1934 (12 U. S. C. 1020-1020h) ;
7 and said total sum shall be exclusive of services and facilities
8 furnished and examinations made by the Farm Credit Ad-
9 ministration, interest expense, and expenses in connection
10 with the acquisition, operation, maintenance, improve-
11 ment, protection, or disposition of real or personal prop-
12 erty belonging to the Corporation or in which it has an
13 interest: *Provided*, That promptly after June 30 of each
14 fiscal year all cash funds in excess of the estimated operating
15 requirements for the current fiscal year shall be declared
16 as dividends and paid into the general fund of the Treasury :
17 *Provided further*, That the aggregate amount of bonds the
18 Corporation may issue and have outstanding at any one time
19 shall not exceed \$500,000,000.

20 Federal intermediate credit banks: Not to exceed
21 \$1,825,000 (to be computed on an accrual basis) of the
22 funds of the banks shall be available for administrative
23 expenses and services performed for the banks by other
24 Government agencies (except services and facilities furnished

1 and examinations made by the Farm Credit Administra-
2 tion, and services performed by any Federal Reserve
3 bank and by the United States Treasury in connection with
4 the financial transactions of the banks) ; and said total sum
5 shall be exclusive of interest expense, legal and special serv-
6 ices performed on a contract or fee basis, and expenses in
7 connection with the acquisition, operation, maintenance, im-
8 provement, protection, or disposition of real or personal
9 property belonging to the banks or in which they have an
10 interest.

11 Production credit corporations: Not to exceed \$1,595,-
12 000 (to be computed on an accrual basis) of the funds of
13 the corporations shall be available for administrative ex-
14 penses, including the purchase of not to exceed six passenger
15 motor vehicles for replacement only, and services performed
16 for the corporations by other Government agencies (except
17 services and facilities furnished and examinations made
18 by the Farm Credit Administration) ; and said total sum
19 shall be exclusive of interest expense, legal and special
20 services performed on a contract or fee basis, and expenses
21 in connection with the acquisition, operation, maintenance,
22 improvement, protection, or disposition of real or personal
23 property belonging to the corporations or in which they
24 have an interest.

1 TITLE V—GENERAL PROVISIONS

2 SEC. 501. Within the unit limit of cost fixed by law, the
3 lump-sum appropriations and authorizations made for the
4 Department under this Act shall be available for the pur-
5 chase, in addition to those specifically provided for, of not
6 to exceed 535 passenger motor vehicles for replace-
7 ment only, and for the hire of such vehicles, necessary in the
8 conduct of the work of the Department outside the District
9 of Columbia.

10 SEC. 502. Provisions of law prohibiting or restricting
11 the employment of aliens shall not apply to (1) the tem-
12 porary employment of translators when competent citizen
13 translators are not available; (2) employment in cases of
14 emergency of persons in the field service of the Department
15 for periods of not more than sixty days; and (3) employ-
16 ment under the appropriation for the Foreign Agricultural
17 Service.

18 SEC. 503. Of appropriations herein made which are
19 available for the purchase of lands, not to exceed \$1 may be
20 expended for each option to purchase any particular tract or
21 tracts of land.

22 SEC. 504. No part of the funds appropriated by this Act
23 shall be used for the payment of any officer or employee of
24 the Department who, as such officer or employee, or on
25 behalf of the Department or any division, commission, or

1 bureau thereof, issues, or causes to be issued, any prediction,
2 oral or written, or forecast, except as to damage threatened
3 or caused by insects and pests, with respect to future prices
4 of cotton or the trend of same.

5 SEC. 505. Except to provide materials required in or
6 incident to research or experimental work where no suitable
7 domestic product is available, no part of the funds appro-
8 priated by this Act shall be expended in the purchase of
9 twine manufactured from commodities or materials produced
10 outside of the United States.

11 SEC. 506. Not less than \$1,500,000 of the appro-
12 priations of the Department for research and service
13 work authorized by the Act of August 14, 1946 (7
14 U. S. C. 427, 1621-1629), and the Act of July 28,
15 1954 (Public Law 545), shall be available for contract-
16 ing in accordance with said Acts.

17 SEC. 507. No part of any appropriation contained in
18 this Act, or of the funds available for expenditure by any
19 corporation included in this Act, shall be used to pay the
20 salary or wages of any person who engages in a strike
21 against the Government of the United States or who is a
22 member of an organization of Government employees that
23 asserts the right to strike against the Government of the
24 United States, or who advocates, or is a member of an or-
25 ganization that advocates, the overthrow of the Govern-

1 ment of the United States by force or violence: *Provided*,
2 That for the purposes hereof an affidavit shall be considered
3 prima facie evidence that the person making the affidavit
4 has not contrary to the provisions of this section engaged in
5 a strike against the Government of the United States, is
6 not a member of an organization of Government employees
7 that asserts the right to strike against the Government of
8 the United States, or that such person does not advocate,
9 and is not a member of an organization that advocates, the
10 overthrow of the Government of the United States by force
11 or violence: *Provided further*, That any person who engages
12 in a strike against the Government of the United States or
13 who is a member of an organization of Government em-
14 ployees that asserts the right to strike against the Govern-
15 ment of the United States, or who advocates, or who is a
16 member of an organization that advocates, the overthrow
17 of the Government of the United States by force or violence
18 and accepts employment the salary or wages for which are
19 paid from any appropriation or fund contained in this Act
20 shall be guilty of a felony and, upon conviction, shall be
21 fined not more than \$1,000 or imprisoned for not more than
22 one year, or both: *Provided further*, That the above penalty
23 clause shall be in addition to, and not in substitution for, any
24 other provisions of existing law: *Provided further*, That
25 nothing in this section shall be construed to require an affi-

1 davit from any person employed for less than sixty days for
2 sudden emergency work involving the loss of human life or
3 destruction of property, the payment of salary or wages may
4 be made to such persons from applicable appropriations for
5 services rendered in such emergency without execution of
6 the affidavit contemplated by this section.

7 SEC. 508. No part of any appropriation contained in
8 this Act or of the funds available for expenditure by any
9 corporation or agency included in this Act shall be used
10 for publicity or propaganda purposes to support or defeat
11 legislation pending before the Congress.

12 SEC. 509. Appropriations of the Department available
13 for research and service work authorized by the Act of
14 August 14, 1946 (7 U. S. C. 427; 7 U. S. C. 1621-1629)
15 shall be available for expenses of any advisory committee
16 established as provided in title III of said Act to assist in
17 effectuating the research and service work of the Department.

18 This Act may be cited as the "Department of Agri-
19 culture and Farm Credit Administration Appropriation Act,
20 1956".

A BILL

Making appropriations for the Department of
Agriculture and Farm Credit Administra-
tion for the fiscal year ending June 30, 1956,
and for other purposes.

By Mr. WHITTEN

MARCH 25, 1955

Committed to the Committee of the Whole House on
the State of the Union and ordered to be printed

DEPARTMENT OF AGRICULTURE AND FARM CREDIT
ADMINISTRATION APPROPRIATION BILL, 1956

MARCH 25, 1955.—Committed to the Committee of the Whole House on the
State of the Union and ordered to be printed

Mr. WHITTEN, from the Committee on Appropriations, submitted the
following

R E P O R T

[To accompany H. R. 5239]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year 1956. The bill covers all estimates contained in the 1956 Budget, pages 180 through 192, and 342 through 441.

The bill includes direct annual appropriations for regular activities of \$694,107,434; loan authorizations for the Rural Electrification Administration and the Farmers Home Administration of \$388,000,000; an administrative expense authorization for the Commodity Credit Corporation of \$26,000,000, together with an appropriation of \$1,634,659 for restoration of capital impairment; an appropriation of \$184,517,957 for special activities, most of which covers reimbursement to the Commodity Credit Corporation for funds advanced to finance programs authorized by Congress to meet special and emergency conditions; and administrative expense limitations for the Farm Credit Administration of \$6,290,000.

The following summary sets forth the committee action with respect to the various items in the bill:

Item	Approved 1955	Estimates, 1956	Recom- mended 1956	Bill compared with—	
				1955 approved	1956 estimates
Regular activities.....	\$653, 129, 960	\$711, 531, 958	\$694, 107, 434	+\$40, 977, 474	-\$17, 424, 524
Loan authorizations.....	363, 000, 000	377, 000, 000	388, 000, 000	+25, 000, 000	+11, 000, 000
Commodity Credit Corpora- tion:					
Restoration capital impair- ment.....		1, 634, 659	1, 634, 659	+1, 634, 659	-----
Administrative expenses.....	25, 290, 000	26, 000, 000	26, 000, 000	+710, 000	-----
Special activities.....	331, 500	184, 517, 957	184, 517, 957	184, 186, 457	-----
Farm Credit Administration.....	6, 250, 000	6, 290, 000	6, 290, 000	+40, 000	-----

THE SITUATION FACING AMERICAN AGRICULTURE

In approaching the budget for the Department of Agriculture for the coming fiscal year, the committee has been aware of the many serious difficulties facing American agriculture at the present time. Within budget limits, the committee has attempted to provide sufficient funds for those agencies of the Department which can most help the farmer to continue to provide the nation's food and fiber, which give us our high standard of living, and which can continue to encourage efforts to protect the nation's soil and natural resources. The committee recognizes that, in the final analysis, the farmers' net income will determine whether he can continue on the farm and whether he can continue to spend money to protect the nation's resources. It is these factors which cause the committee much concern under present conditions.

While salaries and wages generally have increased in recent years, and while the President is recommending a minimum wage of 90 cents per hour, the income of those Americans engaged in agriculture has been dropping steadily each year. The prices of farm products have declined about 7 percent in the past two years. They have dropped 22 percent since February, 1951. The cost of farming continues to increase, with a 14 percent increase in prices paid by farmers during the past five years. The net farm income in 1954 was down nearly 20 percent from 1951.

As a result of this "price-cost squeeze", the value of United States agricultural assets dropped from \$170.1 billion on January 1, 1952, to an estimated \$162.3 billion on January 1, 1955, a loss of \$7.8 billion, or 5 percent. During this period, the value of farm real estate dropped nearly \$4 billion or 4 percent, and the value of livestock declined \$8 billion, or more than 40 percent. Also, the farm mortgage debt has nearly doubled since 1945.

While a majority of the committee is of the opinion that reduced supports do not meet the basic factors causing the present farm situation, the Secretary of Agriculture now has the flexible price support laws he has requested, and parity levels and formulas are being changed accordingly. The outlook is for still further declines in net farm income in 1955 due to the reduction in acreage of controlled crops and the low prices of nearly all farm products.

While the consumer is getting more and better food for his money than ever before in history, the share of the food dollar going to the agricultural producer is decreasing. Since 1945, the farmers' share of the consumer dollar has gone down from 54 percent to 43 percent. With constantly increasing costs of transportation, processing and distribution, the prospects are that this trend will continue, unless strong efforts are made by Congress, the Commodity Credit Corporation and the Department of Agriculture to halt it. Despite lower prices on the farm, consumer prices on most foods have increased or remained about the same, indicating that the decrease in the share of the consumer dollar going to the farmer is resulting in additional income to the processing and distribution system.

In certain parts of the country, particularly the South, the situation resulting from reductions in acreage allotments is deplorable. A special survey made recently by the Department at the request of the committee shows that, as a result of the Secretary's order curtailing cotton acreage, more than 55,000 farm families in the South have been put off their farms, with no homes and limited employment possibilities. This survey also indicates that some 130,000 farm families, with gross incomes of \$1,000 or less, will suffer further losses of \$100 or more this year. Similar situations exist with regard to other farm commodities in other sections.

The Secretary points out that, with fewer farmers, the gross farm income divided by the number of fewer farmers means the farm picture is brighter than many believe. The committee cannot subscribe to such reasoning.

FAILURE OF COMMODITY CREDIT CORPORATION TO MEET FULL RESPONSIBILITIES

Any analysis of the present situation confronting farmers must start with a thorough study of the Commodity Credit Corporation, the Government's arm established with a dual responsibility to (1) support farm prices within the terms of the law and (2) protect the investment of the Nation's taxpayers, including the American farmers, through sales of commodities acquired.

The agency set up to handle the price support program was established as a corporation in order to give it more latitude to buy and sell, borrow and repay money, sue and be sued, etc. In other words, it was created on this basis so that it would operate on a business-like basis to carry out its responsibility of supporting farm prices and protecting the Government's investment through sales. It is this latter responsibility which has been largely overlooked by the Corporation and those dealing with the subject.

As to the Corporation's authority and obligation to sell, we need only look to its charter, which in section 5 (f) authorizes it to export or cause to be exported, or to aid in the development of foreign markets for agricultural commodities acquired under price-support programs or specifically procured for export purposes. The Charter Act contains no restrictions on the prices for which commodities may be sold by the Corporation for export purposes.

This Corporation has authority to invest up to \$10 billion to support farm commodities. At the present time, it has invested over 7 billions of dollars in such commodities. From this, it must be conceded that the Corporation has discharged its responsibility to support farm commodities as provided by law.

On the other side of the picture, however, there is a serious question whether the Corporation has met its obligation to protect its (the people's) investment.

Testimony before the committee indicates that, while the Corporation has the authority to sell its products in world markets at competitive prices, as of February 1955, nearly \$3.7 billion of such commodities have never been offered for sale abroad at competitive prices. And storage charges are rapidly increasing the Corporation's investment in these stocks.

There is reason to believe that such products could be sold in world markets through normal channels of trade, if an effort were made to do so on a competitive basis. During the past year, largely as a result of the urging of this committee, about \$500 million worth of such commodities were sold for dollars by merely offering them for sale on a competitive basis through United States export traders. Many countries of the world have dollars and are anxious to buy American products at competitive prices.

Under an erroneous decision, the President and Board of Directors of the Corporation have set up a policy of making the American support price substantially the offering price in world markets. As a result, the Corporation is placed in the position of a "residual supplier." This is borne out by the following statement contained in a news release of the Department dated February, 1954:

The present season again finds the United States in the position of residual supplier of cotton to the world, that is, with demand for its exports limited until other exporters have largely sold out.

While the price support law fixes the domestic price of Commodity Credit Corporation sales of basic commodities at the support level plus handling and storage charges, there is nothing in the law applying this same formula to sales abroad. With full authority to sell competitively in world trade, the Corporation and the Secretary, according to his testimony, have set our domestic price as our price in world markets, with relatively minor exceptions. In connection with wheat sold under the International Wheat Agreement, which is an exception, our sales are made on a fixed price level, causing CCC to miss many sales.

The committee feels that a price support system is necessary to offset other United States costs and to enable the farmer to exist along with the other segments of our economy, most of which have protection by law in one form or another. It does not believe that losses on commodities taken over by the Commodity Credit Corporation, which have been greatly increased by failure to sell, should be used to discredit such a valuable part of the broad farm program of this country.

The Congress authorized sales in world trade at such price as it might take to move these commodities. Certainly the Congress never intended for the CCC to restrict United States production to the domestic market by keeping its commodities off world markets at competitive prices. Testimony before the Committee indicates that nearly every country of the world makes special concessions where necessary to keep its products moving in world trade channels. Undoubtedly Congress intended that this country should compete in world markets. This is borne out by the fact that it provided specific

authority in the Commodity Credit Corporation Charter for the Secretary to sell its commodities in world trade at whatever price he finds necessary to sell such commodities.

COMMODITY CREDIT CORPORATION OPERATING COSTS

Any decreased investment which might result from flexible or reduced support levels is being dissipated by failure to sell. Of the \$588.5 million loss incurred on CCC commodities disposed of in the fiscal year 1954, about \$224 million represents storage, warehousing and transportation costs and \$102.9 million represents administrative, interest, and similar costs. Of this amount, \$197 million covers storage and related costs on those commodities which have never been offered for sale in world markets at competitive prices, even though the Department has the authority to so offer them. These commodities include wheat, corn, cotton, rice, tobacco, cheese, milk, wool, cottonseed meal, cotton linters, olive oil, seeds (hay and pasture), and soybeans, in which the United States has an investment of \$3.7 billion.

A large part of these storage costs would have been avoided had the Corporation used its authority to sell these stocks in world trade through normal channels. Losses on sales abroad could well have been less than storage costs resulting from the present policy of holding such commodities off world markets at competitive prices. For example, on some of the cotton now held, as much as 8 cents per pound has been added to the Government's investment by storage costs alone.

In view of the large amounts of Federal commodities on hand, no further increases in storage rates should be authorized under any circumstances. Instead, the committee feels that storage costs should be brought down by at least 20 percent during the next fiscal year, by reducing stocks through sales. It also believes that the reduction of stocks of commodities and storage costs should continue at even a faster rate in the years ahead, until CCC holds only such supplies as are essential to security reserve for one year.

NEED FOR POSITIVE SALES PROGRAM

It would seem to the committee that the directors of any corporation should realize that a business cannot operate successfully if it does not sell what it purchases. This is particularly true where holding the stocks continues to add to the carrying charges due to accrued storage costs and constantly increasing administrative expense. And yet, that is what the Commodity Credit Corporation is doing.

The committee finds that this \$10 billion corporation, which now has over \$7 billion invested, does not have a sales manager or a sales organization. Actually it does not even have a sales policy or program worthy of the name.

It has long been recognized by the Congress that, in order to protect the public interest, government purchase contracts must go to the lowest bidder. In view of the soundness of that policy, the committee wonders why the CCC does not save government money by selling to the highest bidder. Generally speaking the Corporation does not do that either at home or abroad. Almost 100 per cent of the commodity sales are offered at a fixed price. Usually, on this basis, CCC does not sell, thereby increasing storage costs and adding

to the United States investment and eventual losses. Last year, when the committee got the Corporation to offer stocks competitively, the commodities were sold for dollars totaling \$500 million.

Certainly, the operating heads of this \$10 billion corporation must realize that, with over \$7 billion invested, they cannot keep buying, and cannot keep adding to carrying charges because of higher storage rates, increasing commodity volume, and more administrative costs—and not sell for the best available price.

Yet the officials of this corporation will not sell competitively in world trade. It cannot be because they do not have authority, for the Charter itself gives unlimited authority to sell on such a basis.

The Charter of the Corporation provides for a president and board of directors. These officials are—

Ezra Taft Benson, Director (Secretary of Agriculture).

True D. Morse, President (Under Secretary of Agriculture).

James A. McConnell, Director (Assistant Secretary of Agriculture).

Ervin L. Peterson, Director (Assistant Secretary of Agriculture).

Earl L. Butz, Director (Assistant Secretary of Agriculture).

O. V. Wells, Director (Administrator of AMS).

R. L. Farrington, Director (Solicitor of Agriculture).

The President of the Corporation, in reporting to the committee on the commodity disposals for the last year, referred to how much the Corporation had “bartered”, how much it had “granted” and how much it had “given away.” He then discussed how much the “disappearance” was, and in an optimistic note commented on what the current year’s “dispositions” will be. On the basis of such testimony, the committee raised a question as to how long any private corporation could exist with such a policy of giving away assets, then merely charging off the losses.

Those facts make the picture clearer. There is much to indicate that, with the Department of Agriculture, a branch of the Executive Department, political and other considerations predominate to the point of preventing action. Proper actions by the Corporation are made subservient to a host of other considerations, many of which, in the opinion of a majority of the committee, are unsound. These actions of the Secretary of Agriculture and others about him are hard to understand unless CCC costs and losses are for use to support their determined efforts to change the price support program.

From the Department’s testimony, it appears that CCC policy is dependent upon obtaining agreement among the various segments of the trade as to time and terms of disposal. Yet within the trade there are many conflicting interests which cannot be reconciled so as to permit necessary actions protecting the interests of the Corporation. With general agreement under such circumstances virtually impossible, except on a give-away basis, CCC offerings in world trade are made at such a high pegged price level that other countries are enabled to offer their commodities just under United States prices and get the markets. Thus the United States holds an umbrella over world prices and invites United States capital to move its production to foreign lands.

The committee feels strongly that the officials of the Commodity Credit Corporation must accept their responsibility to properly handle

the affairs of the Corporation so as to protect the Government's investment. The retention of any farm program will largely be determined by how well the business of the Corporation is handled.

A sales manager should be provided immediately by the Board of Directors. He should be made directly responsible to it, with a directive to set up a sales organization and a positive sales program under which commodities will be sold for the best price the Government can get and still move them before "storage costs" become too large.

If, to get this done, it is necessary to make the officers and employees of the Corporation independent of the Department of Agriculture, Congress should adopt legislation to accomplish this.

Sale of CCC commodities is essential to American agriculture, for those stocks not offered for sale on a competitive bid basis have two undesirable results—the reduction of production goals and the lowering of price support levels. Already, cotton not offered in world trade on a competitive bid basis has been used to reduce United States acreage by about 7 million acres in two years. As pointed out earlier, due to such restrictions imposed this year alone, more than 55,000 farm families are without homes and more than 130,000 farm families have had their gross annual income of \$1,000 or less reduced to around \$900. And it must be realized that this is not the result of price supports but is because CCC will not sell the commodities acquired.

INCREASES IN FOREIGN PRODUCTION

It is imperative that these policies be changed immediately, since foreign acreage is increased as United States acreage is reduced. Figures from the Department indicate that reductions in United States production have not cut world production, but have transferred our acreage to foreign lands instead.

Since 1949, foreign production of cotton has increased 49 percent while United States production has decreased 16 percent. Since 1952, production of cotton has increased about 43 percent in Europe, 6 percent in Asia, and 11 percent in South America. Indications are that further increases are expected in these areas of the world next year. During this same period, cotton acreage in the United States has been reduced about 35 percent.

With this loss of income to the economy of the United States, it is distressing to note that much of the increased production in other countries has been supported by American capital and "know how." The assurance of a United States umbrella over world prices has enabled these concerns to develop profitable operations in countries where labor and other costs of production are much below ours.

ECONOMIC LOSS TO NATION

It is difficult to evaluate the effect of these matters on the Nation's economy. Department of Agriculture estimates indicate that the direct loss to the farmers, resulting from acreage reductions in 1954, could run as high as \$1.2 billion. There is considerable evidence to indicate that each dollar produced on the farm adds seven dollars to the income of the rest of the people of the country. On this basis, the loss to the Nation's economy due to curtailed agricultural production this year could be as much as \$8½ billion.

Some evidence of the Department's realization of the effect on our general economy of holding commodities off world markets with resulting acreage reductions is contained in a speech delivered by Under Secretary Morse, who doubles as President of C. C. C., in North Carolina last June. On page 6 of his speech he states:

To the extent farm production is needlessly cut back and restricted in order to maintain abnormal prices—farmers tend to destroy or weaken the consumer demand and national prosperity on which their own prosperity depends. Under present laws, the huge pileup of surplus farm products may force cuts in acreage allotments for the next year of more than 30 million acres. It will reduce employment all the way from laborers in the cotton and wheat fields on back into the towns and cities that make and sell farm machinery, fertilizer, chemicals, gas and oil, and all the other supplies and services that are required to keep farms in full production. North Carolina industries will feel the effects of any extended slowing down or reduction in agricultural production.

Further evidence of our National loss, due to current policies of not selling these farm commodities, is found in a recent statement released by CARE, which reads as follows:

According to the national advisory committee for CARE, composed of such men as Henry A. Bullis, General Mills' chairman of the Board; Roy C. Ingersoll, president of Borg-Warner; Ward Melville, Melville Shoe Corporation; H. J. Heinz, and others equally successful, such policy costs the United States \$700,000 a day for storage, deprives American railroads of transportation equal to 100 transcontinental freight trains each day for a year, deprives American shipping of the equivalent of the dispatch of 10 oceangoing freighters every day for a year, not to mention the loss of labor and the effect on agriculture itself, being cut back now to absorb surplus commodities.

Despite its realization of these conditions, the Department has failed to sell these commodities, even though it has authority to sell.

INADEQUACY OF DEPARTMENT'S REMEDY

Hope for a solution to the many problems of Agriculture is offered by the Department in the form of more research and education. The committee agrees that these are valuable programs, which offer help to the farmer on a long-range basis. It feels, however, that other more immediate solutions must be found if the farmer is to be carried through the present crisis of falling farm prices, rising farm costs, and reduced production. It is extremely doubtful that a research worker or an extension agent can help a farmer make a living on three to five acres of commercial crops under present conditions.

The Department offers further hope to the farmer in the form of off-farm employment. The Department's position on this is contained in a speech recently delivered by Under-Secretary Morse at Lexington, Kentucky, in which he stated:

Perhaps one reason for this sound management of finances by farmers is the increasing extent to which farmers and their families are taking advantage of off-farm employment.

While it may be that some off-farm income is necessary under present conditions to enable the farmer and his family to exist, the committee believes that the policies of the Department should be such as to make farming a satisfactory means of livelihood for those who have spent their life in that occupation. It cannot subscribe to policies which depress United States farm income and encourage the expansion of foreign production at the expense of United States production.

In this connection, the committee's report on the hearings held in January on Commodity Credit Corporation operations is quoted, as follows:

In the opinion of a majority of the members of the committee, actions of the Department to reduce price supports, change parity formulas, and reduce acreage allotments will not cure the problem of the increasing commodity holdings of the corporation. They believe that this difficulty is due to the failure of the corporation to discharge its responsibility under its charter to sell its commodities competitively in world markets. Testimony before the committee shows that none of the large stocks of cotton, cheese, corn, rice, seeds, naval stores, tobacco and wool have been or are being offered for sale on a competitive basis, despite basic authority in law to do so.

The program for moving commodities under Public Law 480, for which much is claimed, actually is a means of giving commodities away in preference to attempting to sell them through normal trade channels. It involves prior clearance from a committee composed primarily of representatives of non-agricultural interests, (Commerce, State and other Departments) which is a serious hurdle in getting agricultural commodities exported. Also, under the law, the major portion of the local currencies received for commodities shipped abroad will be used for foreign aid purposes in the countries from which received.

The majority of the committee feels that steps should be taken as early as practicable to begin the movement of these commodities into world markets on a competitive bid basis through American exporters. The committee also feels that an immediate announcement of such change in policy should be made to discourage further increase in foreign production to the detriment of American farmers.

Such an action will eventually make possible reductions in administrative costs of the corporation. It should also help to correct the present practice of making competitors out of former customers and should benefit foreign consumers who have a real need for products surplus to United States domestic needs. Further and most important, it will enable the American farmer to compete with foreign producers and make additional acreage available to relieve undue hardships existing in many areas of the country under present orders.

The committee fully recognizes that CCC stocks have been held so long and have built up to such quantities that we must move them back into world markets gradually. Statements by the Department to the effect that offering to sell on a competitive bid basis might drive world prices down drastically, could easily be met by providing in the Department's initial announcement that bids below a certain level would not be accepted. By this means full control would be retained by the Corporation.

NEED FOR ACTION PROGRAMS

As was the case a year ago, the committee again had presented to it a budget sharply curtailing certain of the action programs of the Department. Reductions proposed for 1956 include the following:

Plant and animal disease and pest control.....	\$435, 579
Soil Conservation Service operations.....	1, 872, 379
Flood prevention.....	495, 292
Inspection of fresh fruits, vegetables, poultry, and eggs.....	320, 000
School-lunch program.....	15, 236, 197
Total.....	18, 359, 447

The committee has again restored the proposed reductions in these programs. It feels that sharp curtailments in the action programs, which were established to put the results of research and education to work on the farms of the country, would be a serious mistake in view of the difficulties facing agriculture at this time and the possibility of further reductions in farm income next year. Further, it is im-

pressed with the fact that these programs relate directly to our three greatest assets—children, soil and water—and expansion rather than retraction can be readily justified.

The proposal of the Department to eliminate funds for the purchase and distribution of commodities under Section 6 of the School Lunch Act is based on the assumption that a sufficient quantity of surplus foods will be available under Section 32 funds to meet the need. This same proposal was offered in support of a similar budget cut a year ago. Actual performance so far this year shows that the department reduced substantially its food purchases and, in many areas of the country, the amount of food distributed to schools from Section 32 funds has decreased rather than increased as indicated. The committee can see nothing to indicate a substantial change in this situation during the coming year. Further, the type of commodities available through section 32 are generally not the same as those purchased under section 6. In order to meet nutritional requirements and provide a balanced diet, Section 6 funds are important, particularly with respect to fresh fruits and vegetables.

The committee deplores the Department's failure in recent years to use Section 32 to support markets temporarily in distress. Not only has this resulted in substantial economic loss to the Nation, but it has also amounted to further curtailment of the school lunch program. The Secretary is urged to use this fund, as intended by Congress, to strengthen chaotic markets and to supplement commodities available to the school lunch program from this source.

The committee is recommending sufficient funds for the Soil Conservation Service to restore the proposed reduction and to provide a modest increase for technical service to the 58 new soil conservation districts to be established next year. The committee cannot ignore the past loss of 40 percent of our crop land and the present damage that is occurring every day. Neither can it overlook the difficult problems facing many areas of the Country due to prolonged drought and resulting dust storms. It is noted that the Budget Bureau, which reduced the regular funds for this purpose, approved \$15,000,000 last year for emergency conservation measures in drought areas. The committee believes it more sound to prevent or to attempt to prevent such situations from arising, than to meet them after the damage has been done.

In the opinion of the committee, work on the eleven approved watersheds under Flood Prevention is falling far behind a satisfactory and economical rate of progress. Further, it is apparent that expansion of this type of conservation effort to other areas of the country through the Watershed Protection appropriation is not proceeding rapidly enough to meet the real need and demand for such work. Testimony indicates that, at the present rate of progress, it will take many years to complete the projects authorized in 1936. And it is impossible to estimate how long it will take to meet even a small portion of the need in other areas of the country for similar watershed projects, on the basis of present appropriations. Accordingly, the bill provides sufficient funds to restore the reduction in Flood Prevention funds and to increase by a nominal amount the work on this and the Watershed Protection program.

Proposed reductions in the insect and animal disease control programs and the inspection and grading of fresh fruits, vegetables, poultry and eggs have also been restored. The committee is convinced

that the benefits to the Nation from free and unhampered movement of products in interstate commerce are such as to warrant continued participation by the Federal Government in the insect and animal disease control programs. It believes that firm plans must be worked out to assure adequate financing and uniform quarantine regulations among the States, before the Federal Government can withdraw further from this activity. With respect to the inspection programs, the committee members have agreed that no budget reductions are advisable until a complete review of the policy relative to all inspection activities has been considered by the Department of Agriculture and the Congress.

AGRICULTURAL RESEARCH SERVICE

Appropriations, 1955-----	\$89, 690, 287
Estimates, 1956-----	95, 916, 708
Recommended, 1956-----	95, 728, 708
Comparison:	
1955 appropriations-----	+6, 038, 421
1956 estimates-----	-188, 000

The Agricultural Research Service conducts all of the production and utilization research of the Department (except forestry research), and the inspection, disease and pest control, and eradication work associated with this research. The Administrator of this Service is responsible for the coordination of all research in the Department.

Research.—The committee recommends a total of \$37,000,000 for 1956, an increase of \$1,178,000 over appropriations for 1955 and a reduction from the budget of \$684,000. The increase recommended will provide additional funds for nearly every phase of research activity conducted under this appropriation, and is in addition to the nearly \$2,900,000 increase provided for these same purposes last year.

As pointed out earlier in this report, one of the principal solutions offered by the Department for the many problems presently facing the farmer is additional research. The committee recognizes the value of research to agricultural progress in the United States and has approved the large increase set forth above. The reduction in the budget has been made in view of evidence that some of the funds under this heading are being used on research of doubtful value. Reports from committee investigators and testimony developed during the hearings indicate that research funds provided last year have been used for such projects as "Flora of Dominica," and "Orchids of Guatemala." Evidence also indicates that funds are being used to finance research projects adopted primarily for the benefit of the personnel engaged in such research. The committee doubts that Congress is aware that funds are being spent on such projects as "rural sociology," "family utilization of clothing in Minnesota," and "the difference in clothing worn by city and farm families in Kansas." Accordingly, it does not feel justified in recommending to Congress the full budget estimate provided in the 1956 budget.

Of the funds provided, the sum of \$200,000 has been earmarked for special research on the effect of acreage reductions on the local and national economy. It is hoped that such a study will enable the Department and the Congress to determine policies and solutions for (1) the economic problems created by falling farm income and production on individual farms, and (2) the proper use of diverted acres resulting from acreage reductions.

The committee believes that the large increase for 1956 will provide sufficient funds to enable the Department to give more attention to the problems of the bee-keeping industry. The importance of bees to proper pollination of crops is well recognized, and it would seem that work on this subject would be an important phase of any research intended to improve crop production.

The committee also feels that a portion of the increases allowed should be used to expand research on the farm as a productive economic unit. Research of this type is essential to future programs designed to make farming a profitable occupation.

Several individual projects of a major nature such as a new research laboratory at Winterhaven, Florida and a national seed storage facility, have been proposed by interested members for inclusion in the appropriation bill for 1956. Neither of these proposals were included in the budget by the Department or the Bureau of the Budget. The committee recognizes the fine research work that has been done in Florida, and realizes the need for more adequate research facilities in many areas of the country. It feels that insufficient attention has been given to a nation-wide building program and urges the Department to make a special study of this matter in the coming year, taking into account priority of need throughout the country and the extent to which local financial support is available. The committee does not feel justified in initiating individual projects of a major nature in the absences of such an overall study.

The recent action deemphasizing home economics research should also be given further consideration by the Department. Testimony from persons engaged in home demonstration work with farm families indicates that some part of the funds provided this bureau should be used on such projects as "household food consumption" and "family budgets and expenditures", within funds provided in the appropriation for 1956. According to information presented to the committee, six of the bulletins most frequently used by home-makers of the country are on these subjects. The units of the Department engaged in such research appear to be the chief source of bulletins and other material of this type.

Plant and Animal disease and pest control.—A total of \$17,750,000 is recommended for 1956. This is an increase of \$496,000 above the budget estimates, and a decrease of \$439,579 below current funds—including a supplemental of \$500,000 to meet a grasshopper emergency in the West. The committee has restored funds for these control programs in order to give the Department sufficient latitude to work out arrangements with the States as to adequate financial support and uniform quarantine regulations for those programs where further Federal withdrawal appears warranted. The committee recognizes that some Federal participation in these programs will always be necessary to assure free and unhampered interstate shipment of agricultural products.

Language has been included in the bill to permit furnishing of uniforms, as authorized in the "fringe-benefits" bill adopted last year, to plant quarantine inspectors who are required to wear uniforms as a means of identification.

The funds approved for next year should be sufficient to provide full supervision and inspection for products used in hog cholera control. This disease is still a serious problem in many areas of the coun-

try and adequate inspection of these products is essential to the protection of this important segment of agriculture.

Meat inspection.—The committee recommends the full budget estimate of \$14,325,000 for this program for 1956. This will permit continuation of the program at the same level as authorized for 1955.

Payments to States, Hawaii, Alaska, and Puerto Rico.—The full budget estimate of \$24,753,708 is recommended for grants to the state experiment stations for 1956. This is an increase of \$5,300,000 over the appropriations authorized for 1955. An increase of nearly \$6,000,000 was provided last year for this purpose.

Since research is offered by the Department as one of the principal cures for present problems of agriculture, the full increase for the research activities of the state experiment stations has been allowed. While it has some doubts as to whether or not this is the real answer to the problems facing the farmers of the Nation, the committee feels that the Secretary should have every opportunity to find the answer to farm problems through this means.

The committee has demonstrated at every opportunity in the past that it believes strongly in this work. Increases from \$7 million in 1947 to over \$19 million in 1955 attest to this fact. At the same time, members of the committee feel that some of the work being carried out under this program is of doubtful value. They believe that a more careful screening of the various research projects is needed if additional increases are to be requested each year. The committee doubts that members of Congress are aware that they have been supporting large increases in this appropriation each year for such research projects as "rural population dynamics," "methodology," and "patterns of child rearing in southern families and their relation to the personality development of children."

The committee realizes that the Department cannot initiate research projects under this appropriation, and recognizes the difficulties involved in attempting to restrict or eliminate lines of work which the state experiment stations wish to undertake. Nevertheless, the Secretary is urged to institute a stronger and more thorough review of research programs under this heading in order to curtail duplication of effort and eliminate less essential work. The committee also feels that this program should be administered in such a manner as to assure that Federal funds are fully matched by the States.

Foot-and-mouth and other contagious diseases of animals and poultry.—The full budget estimate of \$1,900,000 is recommended for the foot-and-mouth disease research program at Plum Island. This will permit continuation of the program at the current level. When the main laboratory facilities now under construction are completed, a larger research program will probably be required.

EXTENSION SERVICE

Appropriations, 1955-----	\$43, 537, 500
Estimates, 1956-----	49, 337, 500
Recommended, 1956-----	48, 895, 000
Comparison:	
1955 appropriations-----	+5, 357, 500
1956 estimates-----	—442, 500

The function of the Extension Service is to take research results and other agricultural information to rural people in a manner that effectively meets the farm and family needs. The Cooperative Extension Service is financed from Federal, State, county and local

sources. The funds are used within the States for the employment of county agents, home demonstration agents, 4-H club agents, State specialists, and others who conduct among rural people the educational programs of the Department.

Payments to States, Hawaii, Alaska and Puerto Rico.—The budget request of \$45,475,000 is recommended for 1956 for payments to State Land-grant Colleges for extension activities. This is an increase of \$5,800,000 over funds available for the current fiscal year. The amount approved provides an increase of \$5,493,000 for additional state and county extension workers, and an increase of \$395,000 for additional educational work in the marketing field. These are off-set by a reduction of \$88,000, due to shifting the farm forestry extension work to the regular funds of the Extension Service.

Here again the committee has gone along with the full budget request, in view of the Department's hope that this program will enable the farmer to meet his problems and remain on the farm. The value of this work has long been recognized by the Congress and every opportunity has been taken by the committee to strengthen it. This is indicated by the fact that the appropriations for this purpose have increased over 45 percent since 1947. While the committee cannot fully accept the Department's position that research and extension offer the only answers to the present ills of agriculture, it has recommended the full increase in order to enable the Secretary to carry out the program on the basis proposed by him.

Reports from committee investigators and testimony before the committee raise several basic questions regarding the use of additional funds of \$7.5 million appropriated for this program a year ago. A survey made in Texas last year revealed that, while state extension officials had no firm plans for the use of the increases approved for 1955, they thought they might be able to make use of the money to "expand the educational program so that people would be informed through the Extension Service regarding international affairs."

The report also raised a question concerning the ultimate goal of the Extension Service. It developed evidence that, while the program's traditional role has been one of education, it now is being extended into the activities of the various action agencies, such as the Soil Conservation Service and the Farmers Home Administration. It also reported that five additional county agents have been added to certain experimental counties in the South on the basis of one agent for each 50 farm families. It pointed out that the expansion of such a plan to the 5 million farm units throughout the country would ultimately result in the employment of 100,000 extension agents and 50,000 home demonstration agents. While the Department's witnesses disclaimed any such objectives, the committee feels that this experimental program should be watched very closely. Large increases are being proposed for this activity each year with no evidence of a clear-cut plan for leveling off at a point which can be supported by Federal funds.

Testimony presented to the committee indicates a need for an intensified educational program among agriculture producers on grain sanitation problems. In the opinion of the committee, the large increase recommended for the coming fiscal year should make it possible to develop and carry out a program to meet this need.

Federal Extension Service.—The committee recommends \$3,420,000 for 1955, a decrease of \$442,500 below the budget estimate and the 1955 appropriation. On the basis of amounts expended in fiscal year 1954 and obligated to date this year for penalty mail, it is believed that the reduction can be absorbed without any difficulty.

FARMER COOPERATIVE SERVICE

Appropriation, 1955.....	\$408, 000
Estimate, 1956.....	408, 000
Recommended, 1956.....	408, 000

The Farmer Cooperative Service was established by the Farm Credit Act of 1953, which transferred the research and technical assistance work for farmers marketing, purchasing, and service co-operatives from the Farm Credit Administration to the Secretary of Agriculture. The Service conducts research and carries on related service and educational activities on problems of organization, financing, management, merchandising, product quality improvement, costs, efficiency, and membership. It works closely with cooperatives throughout the country to help the 3,000,000 farmers who are members of such organizations improve the operations of their businesses. It also advises other Federal agencies on problems relating to agricultural cooperatives.

The committee recommends the full budget of \$408,000 for 1956, to permit the continuation of this program at the present level.

SOIL CONSERVATION SERVICE

Appropriations, 1955.....	\$74, 453, 871
Estimates, 1956.....	75, 396, 200
Recommended, 1956.....	80, 612, 579
Comparison:	
1955 appropriations.....	+6, 158, 708
1956 estimates.....	+5, 216, 379

The Soil Conservation Service assists soil conservation districts and other cooperators in providing technical aid to farmers and ranchers in bringing about physical adjustments and land use that will conserve soil and water resources, provide economic production on a sustained basis, and reduce damages from floods and sedimentation. The Service also develops and carries out special drainage, irrigation, flood prevention, and watershed protection programs in cooperation with soil conservation districts, watershed groups, and other Federal and State agencies having related responsibilities.

Conservation operations.—The committee recommends an appropriation of \$58,612,579 for 1956, an increase of \$1,044,000 above the 1955 appropriation and an increase of \$2,916,379 above the budget estimate. The committee does not agree with the proposed reductions contained in the 1956 budget and has restored the full amount cut. In addition, it has added \$1,044,000 to finance technical service to the 58 new soil conservations districts expected to be established during the coming fiscal year. The committee members believe that the past record of this fine organization and the serious drought and dust-bowl problems facing the country fully support this action.

The committee is disturbed by evidence of efforts to gradually eliminate this program. Apparently a task force of the Commission on Intergovernmental Relations intends to recommend that this

organization be abolished and its work be turned over to the state extension service or something similar. While the Department has not yet received such recommendations officially, it understood that the Secretary is represented on the Commission and is aware of these developments. Certain factors tend to indicate some sympathy within the Department and the Bureau of the Budget for the reported position of the Commission. The budget cuts proposed each year in this program provide some basis for this conclusion. They also indicate a complete lack of appreciation by the Executive Branch of the generally recognized need for increased attention to conservation throughout the country. It is requested that the committee be notified by the Department as soon as official recommendations are received from the Commission, so that appropriate Congressional action can be considered.

The committee is firmly opposed to the subordination of the Soil Conservation Service to any other agency.

Watershed protection and flood prevention.—Amounts recommended for 1956 for these two programs are \$12,000,000 for watershed protection and \$10,000,000 for flood prevention. The amount proposed for watershed protection is \$1,000,000 over the budget estimate and \$4,790,000 above the 1955 appropriation. The recommendation for flood prevention provides an increase of \$804,708 above 1955 and \$1,300,000 above the budget estimate.

As discussed earlier in this report, the committee is firmly convinced that some increase in these programs is fully justified. All testimony received indicates the urgent need to speed up these programs to meet the public demand throughout the country for upstream watershed work. In view of the failure of the Executive Branch to recognize this need, Congress must take the initiative and provide adequate funds to assure a reasonable rate of progress in this work.

Construction on the eleven watersheds authorized in 1936 is only 20 to 25 percent complete after nearly 20 years. At the present rate of progress, they will require an additional 50 years or more to complete. Further, the number of watersheds on which work is under way under existing watershed protection programs is only a small fraction of the watersheds throughout the nation which need such attention and for which local support has been or will be pledged on a full matching basis. The delay appears to be due entirely to the lack of adequate Federal funds, since local contributions in the form of money and land easements have been more than adequate to match all Federal expenditures to date.

Funds contained in the flood prevention appropriation for the Yazoo and Little Tallahatchie Watersheds shall be used for the portions of work covered in the flood survey reports and defined as "additional measures to accelerate flood prevention" to the full extent necessary to keep the overall flood prevention program in balance.

AGRICULTURE CONSERVATION PROGRAM SERVICE

Appropriation, 1955.....	\$191, 700, 000
Estimate, 1956.....	250, 000, 000
Recommended, 1956.....	214, 500, 000
Comparison:	
1955 appropriation.....	+ 22, 800, 000
1956 estimate.....	— 35, 500, 000

The purposes of this program include restoring and improving soil fertility, reducing erosion caused by wind and water, and conserving water on the land. To effectuate these purposes, the agricultural conservation program offers cost sharing assistance to individual farmers and ranchers in all of the 48 states, Alaska, Hawaii, Puerto Rico, and the Virgin Islands for carrying out approved soil building and soil and water conserving practices on their farms. Allocations are made to the states based upon conservation needs.

An appropriation of \$214,500,000 is recommended for 1956, a reduction of \$35,500,000 below the budget estimates. The amount recommended will provide adequate funds to meet all commitments made to participants in the program under the 1955 program authorized last year. The reduction is made possible by a carryover of unused funds from the 1953 program. The action of the committee will not result in a failure to meet obligations incurred under prior year authorizations, and it should not be considered as a basis for reductions in the size of this program in the future.

The advance authorization for the 1956 program is recommended at this year's level of \$250,000,000. This amount, which is \$75,000,000 higher than that requested in the budget, is recommended by the committee to assure adequate protection of the nation's greatest natural resource, the soil, in the face of constantly falling farm income. The committee is certain that the difficulties facing the farmers of the country, such as falling farm prices and rising farm costs, will have a definite tendency to reduce conservation effort during the coming year, unless the Federal Government continues to provide strong leadership and adequate financial encouragement to induce farmers to continue their part of the program. The committee feels strongly that reduced attention to the nation's conservation efforts during this period of severe drought and dust storms would be a serious mistake and an irreparable blow to future generations of Americans.

The committee has not agreed to the budget language restricting the use of funds for small payment increases authorized by the basic law. The objective of this program is to get conservation work done on the land, and some special consideration must be given to the small farmer to enable him to participate on a satisfactory basis. It is frequently this type of land which needs conservation attention the most. The committee feels that handling the small payment increase along with regular payments would result in the administrative improvements desired by the Department.

AGRICULTURAL MARKETING SERVICE

Appropriations, 1955.....	\$106, 376, 352
Estimates, 1956.....	91, 396, 000
Recommended, 1956.....	107, 027, 197
Comparison:	
1955 appropriations.....	+ 650, 845
1956 estimates.....	+ 15, 631, 197

The Agricultural Marketing Service is organized to aid in advancing the orderly and efficient marketing and the effective distribution of products from the Nation's farms. The marketing and distribution functions of the Department, which are centered in this Service, include research and development of agricultural marketing and distribution; analyses relating to farm prices, income and population,

and demand for farm products; crop and livestock estimates and related statistical and economic research; market news service; standardization, inspection, grading and classing of farm products; freight rate assistance; marketing and regulatory acts (including marketing agreements and orders); cooperative programs in marketing; the national school lunch program; surplus removal programs under section 32 of the Agricultural Adjustment Act; food trade activities; and other assigned responsibilities related to agricultural marketing and distribution.

Marketing Research and Service.—A total of \$22,791,000 is recommended for 1956, an increase of \$992,500 over 1955 and \$395,000 over the budget estimate. This amount includes \$10,981,000 for marketing research and agricultural estimates and \$11,810,000 for marketing services.

The committee has approved the full budget estimate for research and agricultural estimates, which provides an additional \$758,000 over funds available in fiscal year 1955. The full increase requested has been approved because of the Secretary's belief that increased research holds the principle hope for meeting present-day farm problems, and because of the committee's desire to allow the Secretary sufficient funds to determine the accuracy of his position.

The committee has ear-marked \$1,000,000 of the funds provided under this heading to be used for a special study of the price spread between the farmer and the consumer. According to figures received from the Department, the farmers' share of the consumers food dollar has been decreasing constantly—from 54 percent in 1945 to 43 percent at the present time. The committee believes that research efforts to off-set the loss of farm income through improved practices on the farm can only partially meet the problem. Therefore, it feels that more attention should be given to research on that portion of the consumers food dollar that goes to the transportation, processing and distribution system. It requests that this study be initiated immediately to develop information on a few of the major food crops in several different areas of the country for the period 1945 to date. The committee also feels that a portion of these funds should be used for the dissemination of this type of information to the consuming public to develop a better understanding of the extent to which such factors as freight rate increases, antiquated terminal markets and special processing and packaging of foods adds to the retail prices paid by the consumer.

In the opinion of the committee, there is strong justification and demand for reinstatement of the July crop reports for popcorn and honey products. Testimony received from officials of the Department indicates that these reports were dropped due to lack of funds. It is recommended, therefore, that a portion of the increase provided under this head be used to reinstate this service.

The amount recommended for marketing services provides for the restoration of funds deleted by the budget for inspection and grading of fresh fruits, vegetables, poultry, and eggs. The committee feels that this work should be continued on the present basis until the Department and the Congress have taken further action on inspection services for all commodities.

The funds include an increase of \$200,000 for market news services. The committee has allowed the full budget increase of \$125,000 to

initiate this work in 7 new locations. Also, it has allowed an additional \$75,000 to permit establishment of offices in some of the other locations where market news services are needed as indicated by the testimony presented during the hearings. It is understood that the necessary local matching funds have been pledged in all cases.

A problem with respect to the administration of the Packers and Stockyards Act was brought to the committee's attention during the hearings. Testimony developed the fact that, due to restrictions established several years ago, the inspection and posting of stockyards in Texas is not handled on the same basis as in Southern Oklahoma. The additional expense to cattle markets regulated under the Act puts them at a distinct disadvantage with competitors in contiguous areas. The committee feels that such an arrangement is inequitable and represents a threat to this program. It believes that this matter should be given immediate attention by the Department so that firm recommendations can be submitted to the appropriate committees of Congress to remedy this situation.

Payments to States, Territories, and Possessions.—The full budget estimate of \$1,000,000 is recommended for 1956, an increase of \$100,000 over funds available for 1955. The increase covers additional funds to the States for assistance in applying research results and improved marketing practices to the marketing of farm products.

School-lunch program.—The committee recommends restoration of the budget cut in order to permit this program to be continued at this year's level of \$83,236,197.

The committee received a great deal of testimony on this subject. Much of it indicated the need for additional amounts above those approved to meet the increasing number of school children participating in the program and the constantly rising food costs. Many Members of Congress, many representatives of organizations working with school children, and many representatives of school cafeterias throughout the country appeared before the committee strongly supporting full restoration of the budget reduction. All farm organizations and similar groups appearing before the committee also recommended against the proposed reduction.

As was the case last year, the reduction was based on the assumption that the loss of Section 6 purchases would be fully offset by the availability of commodities from Section 32 funds. This position appears to be based entirely on speculation, since the latest figures available indicate that the distribution of commodities to schools during the present school year will fall as much as 28 percent below the previous year. The committee believes that this program is too important to the welfare of the Nation to make reductions on the basis of assumptions which have not been sound in the past.

Also, it is generally recognized that Section 6 purchases are necessary to provide the balanced type of meals required by this program. A great many of the commodities available from Section 32 funds are not identical in kind or in nutritional characteristics with those available from purchases under Section 6. This is particularly true in connection with fresh fruits and vegetables.

Congress created the Section 32 fund to provide some measure of price support for commodities not under regular support programs,

particularly perishables. As provided by the basic legislation, the program was established to—

(1) encourage the exportation of agricultural commodities and products thereof by the payment of benefits in connection with the exportation thereof, or of indemnities for losses incurred in connection with such exportation, or by payments to producers in connection with the production of that part of any agricultural commodity required for domestic consumption; (2) encourage the domestic consumption of such commodities or products by diverting them, by the payment of benefits or indemnities or by other means, from the normal channels of trade and commerce or by increasing their utilization through benefits, indemnities, donations or by other means, among persons in low income groups as determined by the Secretary of Agriculture; and (3) reestablish farmers' purchasing power by making payments in connection with the normal production of any agricultural commodity for domestic consumption.

Congress has given this program full support through the years. It has repeatedly taken action to make certain that the funds for this purpose are not diverted to other programs. It has frequently reaffirmed the basis for the fund—to stabilize chaotic markets by removing, or announcing an intention to remove, a portion of the temporary surplus from the markets.

It is disturbing to the committee to see the Department's failure to use this program as intended by Congress, despite the fact that adequate funds have been available to meet all needs. In the opinion of the committee, the Department's decision not to meet such situations as the disastrous collapse of egg prices last fall, through the removal of small quantities of the product from those markets temporarily in distress, was a serious mistake and a severe economic blow to the poultry producers of the country.

The committee urges the Secretary to change his policies in this regard. Proper use of this fund will benefit the entire economy of the country as well as the agricultural producer. Further, it will make more food available to the school lunch program through Section 32 purchases, as has been proposed in the last two budgets presented to this committee.

FOREIGN AGRICULTURAL SERVICE

Appropriation, 1955.....	\$2, 515, 000
Estimate, 1956.....	3, 365, 000
Recommended, 1956.....	3, 365, 000
Comparison: 1955 appropriation.....	+850, 000

The Foreign Agricultural Service administers the foreign agricultural programs of the Department and develops plans and policies related to the administration of the foreign affairs and interests of U. S. agriculture. It disseminates to American agriculture the basic information essential to the aggressive foreign marketing of U. S. agricultural products and to making necessary adjustments to meet changing situations abroad. The Service conducts a broad program designed to develop foreign outlets for the agricultural products and analyzes competition and demand factors relating to foreign marketing. It also directs and coordinates the continuous economic analysis and interpretation of world conditions and developments that significantly affect the retention and expansion of foreign markets for American products. The Service directs and coordinates a world-wide agricultural attache service, with particular emphasis on the development of markets for American products, and on trade reporting from foreign areas designed to aid American farmers and exporters.

In allowing the full budget request for 1956, the committee has taken into consideration the urgent need to solve one of the most acute problems now facing the American farmer. This is the need to reduce the large stocks of commodities in the hands of the Commodity Credit Corporation by sales in world trade. The committee believes that the expansion of this Service, and the increased activities in foreign markets by private United States agricultural representatives which should result, will help the United States to move back into world markets on a basis which will encourage foreign purchases of United States agricultural commodities.

The Committee has earmarked \$500,000 of the funds approved for 1956, for use in gathering and keeping current information on foreign agricultural production from 1946 to date, and for conducting a study of agricultural programs and policies in other countries throughout the world designed to move agricultural commodities into world trade on a competitive basis. The committee believes that such a study is essential to the development of a program to meet the competitive situation facing American agriculture abroad. It becomes increasingly apparent that Congress must be fully informed as to the world picture in order to determine our farm policies at home. Testimony before the committee disclosed that such information is inadequate. The committee requests that periodic reports on the findings from this study be furnished to the appropriate committees of Congress.

COMMODITY EXCHANGE AUTHORITY

Appropriation, 1955.....	\$693, 000
Estimate, 1956.....	698, 000
Recommended, 1956.....	698, 000
Comparison: 1955 appropriation.....	+ 5, 000

The objectives of this program are to prevent commodity price manipulation and corners; prevent dissemination of false and misleading crop and market information affecting commodity prices; protect hedgers and other users of the commodity futures markets against cheating, fraud, and manipulative practices; insure the benefits of membership privileges on contract markets to cooperative associations of producers; insure trust fund treatment of margin moneys and equities of hedgers and other traders and prevent the misuse of such funds by brokers; and provide information to the public regarding trading operations and contract markets.

The additional \$5,000 recommended for the fiscal year 1956 is provided to place on a full year basis the regulation of futures trading in wool initiated last fall under provisions of Public Law 690 adopted in the last Congress.

Representations have been made to the committee that much improvement could be made in the handling of futures markets, if the number of points for delivery of commodities under futures contracts were increased and located more conveniently. Testimony before the committee also indicates a need for more and better consumer education with reference to official grades and standards of various agricultural commodities. The record further indicates a need to increase the penalties for violations of the Commodity Exchange Act. The committee recommends that the Department give these matters further attention during the coming year, so that appropriate action

can be taken by Congress, where necessary, to improve or correct these conditions.

COMMODITY STABILIZATION SERVICE

Appropriations, 1955.....	\$100, 850, 000
Estimates, 1956.....	100, 600, 000
Recommended, 1956.....	98, 600, 000
Comparison:	
1955 appropriations.....	-2, 250, 000
1956 estimates.....	-2, 000, 000

The Commodity Stabilization Service has responsibility for the operation of the Commodity Credit Corporation, the agricultural adjustment programs, the Sugar Act, the International Wheat Agreement, the ASC State and county offices, and various related activities.

Considerable attention was given during the hearings to the operations of this large and complicated organization. The respective roles of the Washington office, the State offices and the county committees were discussed at length. Findings and observations developed by committee investigators were considered, including numerous examples of administrative deficiencies, excessive operating costs, lack of personnel training and supervision, and inadequate sales policies. Also, attention was directed to various instances cited of inadequate inspection procedures, heavy losses due to careless handling and storage of commodities, and questionable practices followed in the procurement of equipment and related items. Evidence was developed indicating that the same operating negligence and administrative irresponsibility resulting in the wide-spread grain scandals revealed by investigations of this committee a few years ago are still in existence. Information was also presented indicating that grain bins have been recently purchased from some of the same concerns which delivered poor quality structures under similar contracts on previous occasions.

It is difficult to understand how a program which has been in operation for nearly 20 years can still be in such a chaotic condition. And it is hard to understand how many of the same conditions discovered a few years ago have been allowed to continue, with no apparent effort to correct or eliminate them. In the opinion of the committee there can be no excuse for the existence of the same lack of administrative judgment and questionable practices which so seriously damaged the programs under the jurisdiction of this agency a few years back.

The committee urges the Secretary to look into these matters immediately and to take strong and forceful action to correct the unsatisfactory conditions discovered. It is important that steps be taken to protect the reputation and standing of this arm of the Department and to prevent further damage to the farm programs of the Nation.

Some of the difficulties here appear to result from the divided responsibility between the Washington office, the State offices and the county offices. The line of authority running from Washington to the field appears to be weak and the supervision of field establishments appears to be almost nonexistent. Also, many of the difficulties seem to result from poor management and personnel practices in the county offices.

It is the belief of the committee that considerable improvement in the operations of this far-flung and important agency would result from a change in personnel policies in the county offices. It is recommended that the regular full-time employees of these offices be required to meet Civil Service qualifications for comparable work and be paid on a basis comparable to regular Federal salaries. Such a change should enable the Department to hold personnel in the county offices fully responsible for the performance of their duties. Also, it should help to reduce present turnover and should help in the recruiting of qualified personnel. In addition to correcting many of the administrative deficiencies noted in the investigator's report, such a plan should increase employee efficiency and morale and should result in greater economy in the use of Federal funds. In the Committee's opinion, the added salary costs could be fully covered from savings resulting from such a change.

Agricultural adjustment programs.—The budget estimate of \$39,000,000 is recommended for 1956, a reduction of \$2,250,000 below the 1955 level of operation. This reduction is possible due to decreased workload in connection with the establishment of wheat allotments in certain areas and due to a decrease in a number of wheat counties to be covered next year.

Sugar Act program.—The committee recommends \$59,600,000 for 1956, a reduction of \$2,000,000 below the budget estimate. Since the funds for this program are based entirely on projected estimates of sugar production, it is felt that the appropriation should be held at the 1955 level until firmer production figures are available.

These funds, which are expended under the Sugar Act of 1948, are used to establish consumption requirements, administer quotas and make payments to domestic producers of cane and beet sugar who meet specified conditions. From the inception of the program in 1938 through the fiscal year 1954, collections of excise and import taxes have totalled \$1,216,248,861, while expenditures have amounted to \$926,610,760.

FEDERAL CROP INSURANCE CORPORATION

Appropriation, 1955.....	\$6, 000, 000
Estimate, 1956.....	6, 000, 000
Recommended, 1956.....	6, 000, 000

The Federal Crop Insurance Corporation is a wholly owned Government corporation created in 1938 to furnish protection for the farmers' investment in producing crops against loss from unavoidable causes. Crop insurance offered to agricultural producers by the Corporation provides protection from losses caused by unavoidable natural hazards, such as insect and wildlife damage, plant diseases, fire, drought, flood, wind, and other weather conditions. It does not indemnify producers for losses resulting from negligence or failure to observe good farming practices.

In accordance with the established policy of limited operations on an experimental basis, the 1955 crop insurance program is operating in about 900 counties, furnishing insurance coverage of approximately \$432 million on wheat, cotton, flax, corn, tobacco, beans, citrus, multiple crops, and soybeans. It is expected that it will be extended to 950 counties next year.

The Budget estimate of \$6,000,000 is recommended for 1956. This will provide the same appropriation as was authorized for 1955.

RURAL ELECTRIFICATION ADMINISTRATION

Loan authorizations

Authorizations, 1955-----	\$210, 000, 000
Estimates, 1956-----	230, 000, 000
Recommended, 1956-----	235, 000, 000
Comparison:	
1955 authorizations-----	+ 25, 000, 000
1956 estimates-----	+ 5, 000, 000

Salaries and expenses

Appropriation, 1955-----	7, 285, 000
Estimate, 1956-----	7, 680, 000
Recommended, 1956-----	7, 680, 000
Comparison: 1955 appropriation-----	+ 395, 000

The Rural Electrification Administration was established by Executive Order in 1935 to make loans for the extension of central station electric service to unserved rural people. The Agency was continued by the Rural Electrification Act of 1936, and became a part of the Department of Agriculture in 1939. In 1949 the Act was amended to authorize REA to make loans for the purpose of furnishing and improving rural telephone service. Loans for construction of electric and telephone facilities are self-liquidating within a period not to exceed 35 years, and bear interest at the rate of 2 percent.

The committee has approved the full request of \$160,000,000 for electrification loans for the coming fiscal year. In addition it has approved a contingency fund of \$100,000,000 for electrification loans, to enable the Secretary to meet any large or unusual needs in any area of the country which otherwise could not be handled within the regular authorization on the basis of the formula contained in the basic legislation. The amount recommended, together with an estimated carry-over of \$21,000,000 and probable rescissions of \$4,000,000 will make a total of \$185,000,000 available for electrification loans during the coming year, exclusive of the contingent fund provided in addition thereto.

The committee also recommends a total of \$75,000,000 for the rural telephone program. This amount, which is an increase of \$5,000,000 over the budget estimate, will enable the telephone program to continue at the same level as was authorized for 1955. The committee believes that the large backlog of loan applications on hand makes it unwise to reduce this program below the current year's level.

It is understood that proposed legislation has been presented to Congress to repeal the formula for distribution of loan funds contained in the basic law. The principal argument advanced for this action is that the Department may be prevented from making loans in certain States, due to the restrictions in the basic formula. During the hearings, the committee requested the Department to present a statement of those projects which have been or might be denied due to the lack of adequate loan authority. The Department has not presented any such projects to the committee, in the absence of which there seems to be a question as to the need for elimination of the formula, though some modification may be in order.

In order to make certain that adequate authority will exist in 1956 to cover all possible loan applications qualifying under the law, the

committee has approved the additional contingency fund outlined above. It is pointed out that these amounts are merely limitations on how much can be borrowed from the Treasury—and no money is drawn down until a loan has been finally approved and advances of funds thereunder have been authorized.

For salaries and expenses, the committee recommends the full request of \$7,680,000, an increase of \$395,000 over amounts provided for 1955. The additional funds are authorized for administration of the rural telephone program, in order to speed up the handling of loan applications and construction work.

FARMERS HOME ADMINISTRATION

Loan authorizations

Authorizations, 1955.....	\$153, 000, 000
Estimates, 1956.....	147, 000, 000
Recommended, 1956.....	153, 000, 000
Comparison: 1955 estimates.....	+6, 000, 000

Salaries and Expenses

Appropriation, 1955.....	\$23, 550, 000
Estimate, 1956.....	24, 500, 000
Recommended, 1956.....	24, 500, 000
Comparison: 1955 appropriation.....	+950, 000

The Farmers Home Administration performs the following four major activities: (1) to make direct and insured farm ownership loans to farm tenants, farm laborers, sharecroppers and other individuals for the purchase, enlargement or development, including farm housing and other building construction, of family type farms; (2) to make production and subsistence loans to farmers and stockmen for farm operating expenses and other farm needs, including the financing of indebtedness and family subsistence; (3) to make direct and insured soil and water conservation loans for the effective development and utilization of water supplies and for the improvement of farm land by soil and water conserving facilities and practices; and (4) to make emergency loans to farmers and stockmen in designated areas where a disaster has caused a need for agricultural credit not readily available from commercial banks, cooperative lending agencies, the Farmers Home Administration's regular loan programs, or other responsible sources. Technical guidance in planning and carrying out sound farm operations is provided borrowers on the basis of their individual problems and needs. No loans are made to applicants who can secure adequate credit from other sources at reasonable rates.

The committee recommends the same amounts for loan authorizations as were authorized for 1955. This includes \$19,000,000 for farm ownership and housing loans, \$122,500,000 for production and subsistence loans, and \$11,500,000 for soil and water conservation loans.

The reduction proposed in the 1956 budget for farm ownership and housing loans has been restored. This action is based on evidence that the need for farm houses and other farm buildings is continuing to increase, particularly among young veterans just getting started on the farm. The committee feels that this phase of the agency's program has not been receiving the proper attention in recent years and recommends strongly against any reduction in funds at this time. It does not agree with the recent change in policy, under which funds for direct loans would be reduced, with a proposal to handle a larger

portion of farm ownership and housing loans through insured mortgages. With falling farm income and the many other difficulties encountered in getting established on the farm, the higher interest charges and larger initial capital required under the insured mortgage type of loan would present additional problems to the borrowers.

An increase of \$950,000 is recommended for salaries and expenses to enable the Farmers Home Administration to adequately protect the government's large investment in this program. For the past several years, the committee has warned that the reductions made by the Department in these administrative funds would result in an increase in the number of delinquents, due to inadequate supervision and assistance to the borrowers. Testimony this year indicates that the number of delinquents has increased during the past several years, and the committee feels very strongly that additional funds must be provided to reverse this trend. Proper safeguarding of the borrower's interest and the security of the government demands careful scrutiny of loans granted, good judgment and a complete understanding of farm and home management. These can be met only if sufficient funds are appropriated to enable the field personnel of this agency to work closely with the borrowers during the period of the loan.

The committee is also concerned about evidence that the heavy demands made upon this agency, due to the emergency and disaster loan programs in the drought areas, are interfering with its regular work. This may be one factor contributing to the lack of adequate supervision of borrowers during the past several years and the increase in the number of delinquents. While the committee is in general agreement with the policy of absorbing additional work with regular employees wherever possible, it believes that such a practice should not interfere unduly with other essential activities. In order to assure that the regular operations are not restricted because of the emergency and disaster loan problems, it is recommended that additional personnel be provided and sufficient funds be transferred from the Disaster Loan Revolving Fund to cover the administrative costs directly related to lending activities under that Fund.

OFFICE OF THE GENERAL COUNSEL

Appropriation, 1955.....	\$2, 079, 000
Estimate, 1956.....	2, 164, 000
Recommended, 1956.....	2, 079, 000
Comparison: 1956 estimate.....	—85, 000

This office, as the law office of the Department of Agriculture, performs all the legal work arising from the activities of the Department. The General Counsel represents the Department in administrative proceedings for the promulgation of rules having the force and effect of law; in quasi-judicial hearings held in connection with the administration of various programs and acts; and in proceedings before the Interstate Commerce Commission involving freight rates and practices relating to farm commodities, including appeals from the decisions of the Commission to the courts. He serves as general counsel for the Commodity Credit Corporation and the Federal Crop Insurance Corporation. In addition, he furnishes necessary review in connection

with criminal cases arising under the programs of the Department for the purposes of referring them to the Department of Justice.

The Committee recommends the same amount for 1956 as has been available during 1955. In view of the large unused balance of funds last year, it is believed that the additional functions proposed in the 1956 budget can be met within the amount approved.

OFFICE OF THE SECRETARY

Appropriation, 1955.....	\$2, 116, 000
Estimate, 1956.....	2, 172, 600
Recommended, 1956.....	2, 116, 000
Comparison: 1955 estimate.....	—56, 600

The Office of the Secretary includes such staff offices of the Department as the immediate Office of the Secretary, the Office of Personnel, the Office of Budget and Finance, the Office of Plant and Operations, and the Office of Hearing Examiners.

The committee recommends \$2,116,000 for 1956, the same amount as is available for 1955. It is in full accord with the proposal to strengthen the inspection and investigation program of the Department in the Secretary's office. However, in view of the large unobligated balance of funds in 1954, it believes that this program can be instituted within the funds authorized.

OFFICE OF INFORMATION

Appropriation, 1955.....	\$1, 216, 000
Estimate, 1956.....	1, 238, 000
Recommended, 1956.....	1, 238, 000
Comparison: 1955 appropriation.....	+22, 000

The Office of Information has general direction and supervision of all publications and other information policies and activities of the Department, including final review, illustrating, printing and distribution of publications; clearance and release of press, radio, television, and magazine materials; maintenance of central files of news and general illustration type photographs; and preparation and distribution of exhibits and motion pictures. The Office publishes the Yearbook of Agriculture, the annual report of the Secretary of Agriculture, the Department Directory, the Department List of Publications, handles the distribution of farmers bulletins, and services letter and telephone requests for general information received in the Department. It also produces motion pictures, art and graphics materials, and photographic work for the Department and other Government agencies through reimbursements.

The full budget estimate of \$1,238,000 is recommended for 1956, an increase of \$22,000 over the funds appropriated for 1955. The additional funds are provided to enable the Office to handle the increasing volume of requests for information and publications, and to permit printing the Department's List of Publications and the Farmers Bulletin Lists. The funds for these purposes were removed from the appropriation last year and need to be restored to meet demands for information and printed material.

The committee deplores the Department's failure to issue statements and releases to the public on a full and complete basis. A review of the

many speeches and releases of the Department during the past year indicates that this information is restricted in nature and does not fully present all aspects of the various farm problems facing the Nation. The committee believes that the best interests of all segments of our economy will be served if all sides of every issue are presented to the people of the country. It is recommended that steps be taken to disseminate information presenting the farmer's side of the many farm issues.

LIBRARY

Appropriation, 1955-----	\$659, 950
Estimate, 1956-----	659, 950
Recommended, 1956-----	659, 950

The Library, pursuant to the Department's Organic Act of 1862, and under delegation from the Secretary, procures and preserves all information concerning agriculture. Under the Act establishing the Department, the Library also serves as the national agricultural library.

The budget estimate of \$659,950 is recommended for the coming fiscal year. This will enable the Library to continue its operations on the same basis as authorized for 1955.

COMMODITY CREDIT CORPORATION

Restoration of capital impairment

Estimate, 1956-----	\$1, 634, 659
Recommended, 1956-----	1, 634, 659
Comparison: 1955 appropriation-----	+1, 634, 659

Administrative expense limitation

Authorization, 1955-----	\$25, 290, 000
Estimate, 1956-----	26, 000, 000
Recommended, 1956-----	26, 000, 000
Comparison: 1955 authorization-----	+710, 000

In recent years the restoration of capital impairment of the Commodity Credit Corporation has been handled through note cancellation. In the future, however, restorations will be handled by direct appropriation, as provided by legislation adopted last year. The realized loss during the fiscal year 1954 was \$547.2 million. However, because of a change in restoration from projected to realized loss, all but \$1,634,659 of the 1954 impairment can be covered from funds provided last year.

In connection with the administrative expense limitation of the Corporation, the committee is recommending the full budget request of \$26,000,000. Of this amount \$2,000,000 has been placed in reserve to be used to expand and strengthen the sales effort of the Corporation.

After full hearings and thorough consideration of the many problems resulting from the large stocks of commodities carried by the Corporation, the committee is convinced that a change in basic sales policy must be made and a strong and affirmative sales program must be developed. Testimony presented to the committee indicates that the present program for disposal of these commodities is largely limited to barter, sales for foreign currencies, and donations. The hearing records on this point are full of such terms as "removal," "disappear-

ance," "barter," "give-away," and "disposal," with a complete lack of reference to plans for the sale of commodities for dollars, as authorized and contemplated by the Corporation's basic charter.

In order to enable the Corporation to establish an effective sales program, the committee has earmarked \$2,000,000 of the administrative funds for this purpose. It believes that the employment of an experienced sales manager and the establishment of a proper sales organization to move these stocks into world markets on a competitive bid basis will result in saving hundreds of millions of dollars.

One of the primary arguments given in support of flexible price supports is the need to reduce the Government's investment in farm commodities. Figures available from the Department indicate that savings which might result from lowered support prices are being fully offset by the very heavy storage costs resulting from the Corporation's failure to keep its stocks moving into normal channels of world trade at prices which will sell them.

In addition to removing one of the most serious threats to our agricultural programs, this establishment of such a sales policy should make possible substantial savings in storage and warehousing charges. As discussed elsewhere in this report, approximately half of commodity losses in recent years are represented by storage and warehousing charges. In fiscal year 1954, storage, warehousing and transportation charges totalled \$224 million, and the Department estimates that such costs will exceed \$263 million during the fiscal year 1955.

The committee further recommends that amounts paid for storage in the fiscal year 1956 be reduced by not less than 20 percent below 1955. In order that Congress may be kept currently advised of progress made on this problem, it is requested that a semi-annual report be submitted to the appropriate committees, showing (1) the quantity and inventory value of commodities on hand which have not been offered for sale in world trade on a competitive basis, and (2) the storage charges on all commodities which have been held by the Corporation for more than 18 months.

RESEARCH ON STRATEGIC AND CRITICAL AGRICULTURAL MATERIALS

Appropriation, 1955_____	\$331, 500
Estimate, 1956_____	300, 000
Recommended, 1956_____	300, 000
Comparison: 1955 appropriation_____	—31, 500

The Strategic and Critical Materials Stockpiling Act of 1946 authorizes and directs the Secretary of Agriculture to make scientific, technologic, and economic investigations of the feasibility of developing domestic sources of any agricultural material or substitute for such materials determined to be strategic and critical. This appropriation is to enable the Department to carry out its responsibilities under this act.

The Committee recommends the budget estimate of \$300,000 for the fiscal year 1956. The decrease of \$31,500 is due to the planned completion of certain phases of present investigations on vegetable tannins. Research and investigations on vegetable fats and oils and fiber plants will be continued in 1956 on the same basis as in 1955.

REIMBURSEMENTS TO COMMODITY CREDIT CORPORATION

The bill for 1956 provides reimbursement to the Commodity Credit Corporation for funds advanced to finance special programs authorized by Congress as follows: eradication of foot-and-mouth disease in Mexico, \$5,788,897; International Wheat Agreement, \$57,378,551; wheat to Pakistan, \$69,273,881; emergency feed assistance, \$42,100,000; and famine relief to friendly peoples, \$9,676,628.

The first two items have been handled in previous years by note cancellation. Due to a change in law adopted by Congress last year, these reimbursements are now carried as appropriations.

The last three items listed above are included in this bill for the first time, and are based on specific acts of Congress adopted in the 83d Congress. The furnishing of wheat to Pakistan was carried out under Public Law 77, 83d Congress, which authorized the appropriation of funds to reimburse the Corporation for its investment in the wheat furnished, including handling and other costs incurred in making deliveries. The furnishing of feed and seed to farmers and stockmen in major disaster areas was authorized by Public Law 115 approved July 14, 1953. The famine relief to friendly peoples, authorized by Public Law 216, 83d Congress, covers the furnishing of 2,688,000 bushels of wheat to Bolivia, 361,047 bushels to Jordan, and 82,133 bushels to Libya.

FARM CREDIT ADMINISTRATION

Authorizations, 1955.....	\$6, 250, 000
Estimates, 1956.....	6, 290, 000
Recommended, 1956.....	6, 290, 000
Comparison: 1955 authorizations.....	+40, 000

The Farm Credit Administration provides supervision, examination, facilities and services to a coordinated system of farm credit banks and corporations which make loans to farmers and their cooperatives. The Administration is an independent agency under the direction of the Federal Farm Credit Board. It was originally created in 1933 and was transferred to the Department of Agriculture in 1939. It was re-established as an independent agency by the Farm Credit Act of 1953.

The committee has approved the full budget estimate of \$6,290,000 for the Farm Credit Administration and its member institutions, an increase of \$40,000 over 1955. The amount recommended includes \$2,320,000 for the parent organization, the Farm Credit Administration, \$550,000 for the Federal Farm Mortgage Corporation, \$1,825,000 for the Federal intermediate credit banks, and \$1,595,000 for the production credit corporations. These amounts represent limitations on the amount of the corporate funds of these organizations which can be used for administrative purposes. They are not direct appropriations from the Treasury of the United States.

The small increase is recommended in view of the increasing credit problems resulting from declining farm income. With the large increase in farm debt and the ever tightening price-cost squeeze on the farmer, it will be necessary for the intermediate credit banks and the

production credit corporations to make more comprehensive credit analyses to assure sound loans and to reduce collection problems.

GENERAL PROVISIONS

The General Provisions contained in the accompanying bill are the same as those which have been included for a number of years. The only changes are found in section 501, where the limitation on replacement of passenger carrying vehicles is increased slightly, and in section 506, where reference to basic legislation adopted last year has been added.

For a number of years, the committee has encouraged the Department to carry on a portion of its research work by contract under section 506. This has been based on the belief that such arrangements would not only improve the quality of research findings, but would limit to some extent the number of permanent research personnel added to the rolls of the Department. Recent investigation reports indicate that some of the research contracts under this section have been awarded to large and well established organizations able to conduct such research without financial aid from the Federal government. Some of these have been in existence continuously since 1947 for the same line of research. The committee seriously questions whether these well established organizations should continue to look to the Federal government as an established source of income for such research work.

LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations and legislative provisions not heretofore carried in any appropriation act are included in the bill:

On page 2, line 25, in connection with the Agricultural Research Service:

Provided further, That appropriations hereunder shall be available for uniforms, or advances therefore, as authorized by the Act of September 1, 1954 (68 Stat. 1114):

On page 3, line 7, in connection with the Agricultural Research Service:

Provided, That not less than \$200,000 of this appropriation shall be available to conduct a special study of (1) the effect on farm income and the general economy of the United States of acreage reductions imposed on 1954 and 1955 crops, and (2) the most satisfactory solution to this problem, including the encouragement of sound soil conservation practices upon land diverted from production under such acreage restrictions.

On page 14, line 8, in connection with the Agricultural Conservation Program:

except where the participants from two or more farms or ranches join to carry out approved practices designed to conserve or improve the agricultural resources of the community.

On page 17, line 8, in connection with marketing research and agricultural estimates:

Provided, That not less than \$1,000,000 of the funds contained in this appropriation shall be available to gather statistics and conduct a special study on the price spread between the farmer and the consumer:

On page 18, line 25, in connection with the Foreign Agricultural Service:

Provided, That not less than \$500,000 of the funds contained in this appropriation shall be available to obtain statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis.

On page 26, line 11, in connection with the Federal Crop Insurance Corporation:

Provided further, That not to exceed \$1,500,000 of administrative and operating expenses may be paid from premium income.

On page 27, line 2, in connection with the Commodity Credit Corporation:

Provided further, That \$2,000,000 of this authorization shall be available only to expand and strengthen the sales program of the Corporation pursuant to authority contained in the Corporation's charter.

MINORITY VIEWS

We, the undersigned, are compelled to file a minority report to disagree with the political implications in the above report. There is complete agreement among the members of the subcommittee regarding the amounts in the bill. However, the report which was made available to us only when we attended the full committee meeting when this bill was reported, in our opinion is fraught with political implications and inaccuracies. Therefore, we are filing this minority report. We believe that Secretary Benson is doing a good and courageous job, under many adverse circumstances—many of which he inherited—and we ask for full cooperation that we make the best of the situation for the future agricultural welfare of us all.

WALT HORAN, M. C.,
5th District, Washington.

CHARLES W. VURSELL, M. C.,
23d District, Illinois.

PERMANENT AUTHORIZATIONS

Agency and item	Authorizations, 1955	Estimates, 1956	Increase or decrease
Agricultural Marketing Service:			
Perishable Agricultural Commodities Act Fund.....	\$390, 000	\$390, 000	-----
Removal of surplus agricultural commodities.....	180, 091, 952	168, 000, 000	-\$12, 091, 952
Total, Agricultural Marketing Service.....	180, 481, 952	168, 390, 000	- 12, 091, 952
Commodity Stabilization Service: National Wool Act.....	-----	200, 000	+ 200, 000
Total, permanent authorizations.....	180, 481, 952	168, 590, 000	- 11, 891, 952

LOAN AUTHORIZATION

(TITLE I)

Agency and item	Authorizations, 1955	Estimates, 1956	Recommended in bill for 1956	Bill compared with—	
				1955 authorizations	1956 estimates
Rural Electrification Administration:					
Electrification-----	\$135, 000, 000	\$160, 000, 000	\$160, 000, 000	+\$25, 000, 000	-----
Telephone-----	75, 000, 000	70, 000, 000	75, 000, 000	-----	+\$5, 000, 000
Total, Rural Electrification Administration-----	210, 000, 000	230, 000, 000	235, 000, 000	+\$25, 000, 000	+\$5, 000, 000
Farmers' Home Administration:					
Farm ownership and housing-----	19, 000, 000	13, 000, 000	19, 000, 000	-----	+\$6, 000, 000
Production and subsistence-----	122, 500, 000	122, 500, 000	122, 500, 000	-----	-----
Soil and water conservation-----	11, 500, 000	11, 500, 000	11, 500, 000	-----	-----
Total, Farmers' Home Administration-----	153, 000, 000	147, 000, 000	153, 000, 000	-----	+\$6, 000, 000
Total, loan authorizations-----	363, 000, 000	377, 000, 000	388, 000, 000	+\$25, 000, 000	+\$11, 000, 000

CORPORATE EXPENSES
(TITLE II)

Agency and item	Authorizations, 1955	Estimates, 1956	Recommended in bill for 1956	Bill compared with—	
				1955 authorizations	1956 estimates
Commodity Credit Corporation:					
Restoration of capital impairment.....	(¹)	\$1, 634, 659	\$1, 634, 659	+\$1, 634, 659	-----
Administrative expense limitation.....	(\$25, 290, 000)	(26, 000, 000)	(26, 000, 000)	(+710, 000)	-----
Total, corporate expenses.....	-----	1, 634, 659	1, 634, 659	+ 1, 634, 659	-----

¹ Handled by note cancellation.

SPECIAL ACTIVITIES

(TITLE III)

Agency and item	Authorizations, 1955	Estimates, 1956	Recommended in bill for 1956	Bill compared with—	
				1955 authorizations	1956 estimates
Research on strategic and critical agricultural materials—	\$331, 500	\$300, 000	\$300, 000	—\$31, 500	-----
Reimbursements to Commodity Credit Corporation:					
Eradication of foot-and-mouth and other contagious diseases of animals and poultry-----	(1)	5, 788, 897	5, 788, 897	+ 5, 788, 897	-----
International Wheat Agreement-----	(1)	57, 378, 551	57, 378, 551	+ 57, 378, 551	-----
Wheat to Pakistan-----		69, 273, 881	69, 273, 881	+ 69, 273, 881	-----
Emergency feed assistance-----		42, 100, 000	42, 100, 000	+ 42, 100, 000	-----
Famine relief to friendly peoples-----		9, 676, 628	9, 676, 628	+ 9, 676, 628	-----
Total reimbursements to Commodity Credit Corporation-----		184, 217, 957	184, 217, 957	+ 184, 217, 957	-----
Total, special activities-----	331, 500	184, 517, 957	184, 517, 957	+ 184, 186, 457	-----

1 Handled by note cancellation.

FARM CREDIT ADMINISTRATION
(Administrative Expense Limitations)
(TITLE IV)

Agency and item	Authorizations, 1955	Estimates, 1956	Recommended in bill for 1956	Bill compared with—	
				1955 authorizations	1956 estimates
Farm Credit Administration-----	\$2, 320, 000	\$2, 320, 000	\$2, 320, 000	-----	-----
Federal Farm Mortgage Corporation-----	650, 000	550, 000	550, 000	-\$100, 000	-----
Federal intermediate credit banks-----	1, 740, 000	1, 825, 000	1, 825, 000	+85, 000	-----
Production Credit Corporations-----	1, 540, 000	1, 595, 000	1, 595, 000	+55, 000	-----
Total, Farm Credit Administration-----	6, 250, 000	6, 290, 000	6, 290, 000	+40, 000	-----

COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1955, ESTIMATES FOR 1956, AND AMOUNTS
RECOMMENDED IN THE BILL FOR 1956

REGULAR ACTIVITIES

(TITLE I)

Agency and item	Appropriations, 1955	Estimates, 1956	Recommended in bill for 1956	Bill compared with—	
				1955 appropriations	1956 estimates
Agricultural Research Service:					
Salaries and expenses:					
Research-----	\$35,822,000	\$37,684,000	\$37,000,000	+\$1,178,000	—\$684,000
Plant and animal disease and pest control-----	2 18,189,579	17,254,000	17,750,000	—439,579	+496,000
Meat inspection-----	14,325,000	14,325,000	14,325,000	-----	-----
Total, salaries and expenses-----	68,336,579	69,263,000	69,075,000	+738,421	—188,000
Payments to States, Hawaii, Alaska, and Puerto Rico-----	19,453,708	24,753,708	24,753,708	+5,300,000	-----
Foot-and-mouth and other contagious diseases of animals and poultry—Research-----	1,900,000	1,900,000	1,900,000	-----	-----
Total, Agricultural Research Service-----	89,690,287	95,916,708	95,728,708	+6,038,421	—188,000
Extension Service:					
Payments to States, Hawaii, Alaska, and Puerto Rico-----	39,675,000	45,475,000	45,475,000	+5,800,000	-----

2 Includes \$500,000 contained in Second Supplemental Appropriation Act, 1955, now pending.

Comparative statement of appropriations for 1955, estimates for 1956, and amounts recommended in the bill for 1956—Con.

(TITLE I)—Continued

Agency and item	Appropriations, 1955	Estimates, 1956	Recommended in bill for 1956	Bill compared with—	
				1955 appropriations	1956 estimates
Extension Service—Continued					
Federal Extension Service:					
Administration and coordination.....	\$1, 920, 000	\$1, 920, 000	\$1, 920, 000	-----	-----
Penalty mail.....	1, 942, 500	1, 942, 500	1, 500, 000	—\$442, 500	—\$442, 500
Total, administration and coordination.....	3, 862, 500	3, 862, 500	3, 420, 000	—442, 500	—442, 500
Total, Extension Service.....	43, 537, 500	49, 337, 500	48, 895, 000	+5, 357, 500	—442, 500
Farmer Cooperative Service.....	408, 000	408, 000	408, 000	-----	-----
Soil Conservation Service:					
Conservation operations.....	57, 568, 579	55, 696, 200	58, 612, 579	+1, 044, 000	+2, 916, 379
Watershed protection.....	7, 210, 000	11, 000, 000	12, 000, 000	+4, 790, 000	+1, 000, 000
Flood prevention.....	9, 195, 292	8, 700, 000	10, 000, 000	+804, 708	+1, 300, 000
Water conservation and utilization projects.....	480, 000	-----	-----	—480, 000	-----
Total, Soil Conservation Service.....	74, 453, 871	75, 396, 200	80, 612, 579	+6, 158, 708	+5, 216, 379
Agricultural conservation program.....	191, 700, 000	^a 250, 000, 000	214, 500, 000	+22, 800, 000	—35, 500, 000

^a Budget language provided for reduction by amount of unused 1953 balances, not definite at time estimate prepared.

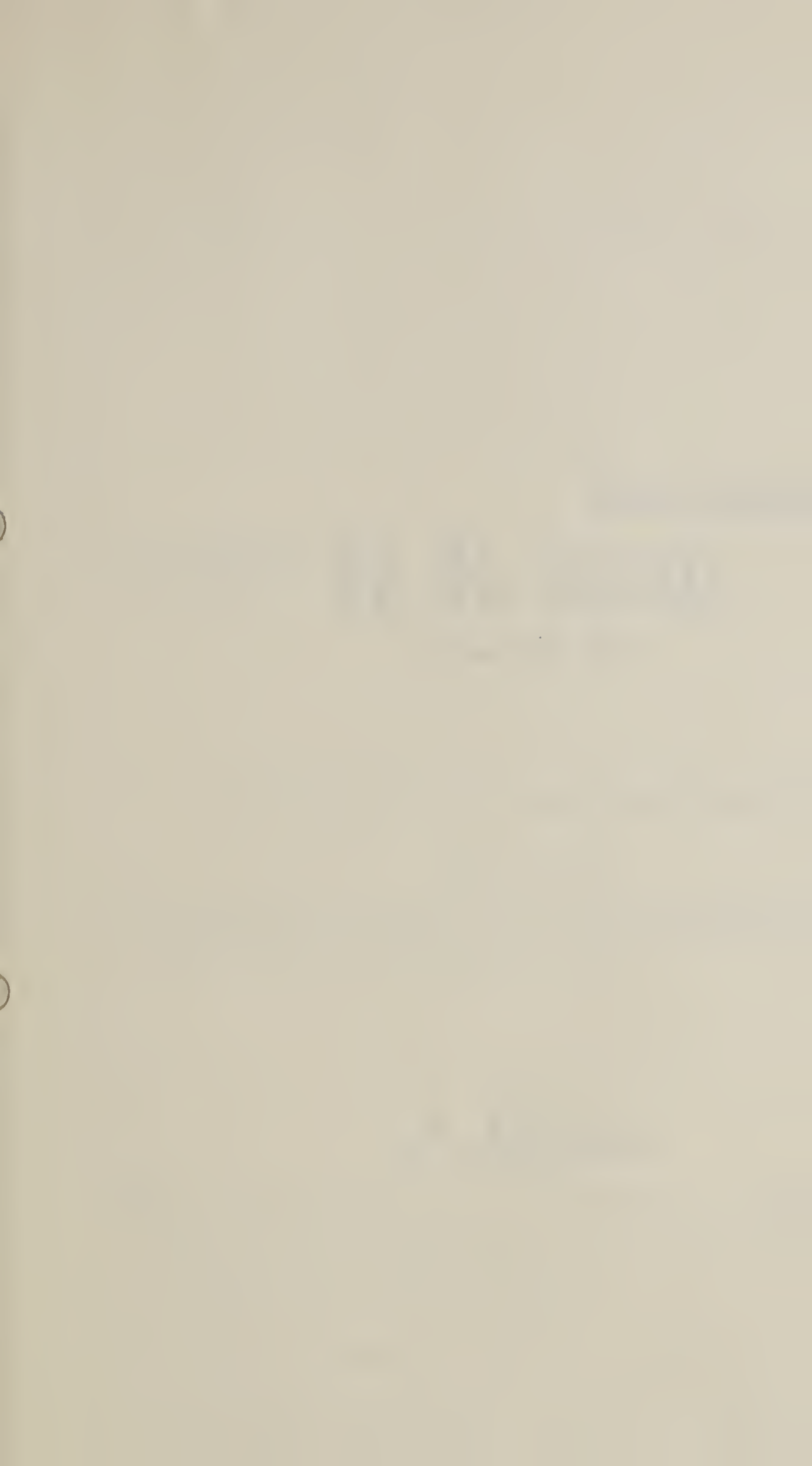
Agricultural Marketing Service:					
Marketing research and service:					
Marketing research and agricultural estimates	10, 223, 000	10, 981, 000	10, 981, 000	+758, 000	-----
Marketing services	11, 575, 500	11, 415, 000	11, 810, 000	+234, 500	+395, 000
Total, marketing research and service	21, 798, 500	22, 396, 000	22, 791, 000	+992, 500	+395, 000
Payments to States, Territories, and possessions	900, 000	1, 000, 000	1, 000, 000	+100, 000	-----
Repayment to Commodity Credit Corporation	441, 655	-----	-----	-441, 655	-----
School lunch program	83, 236, 197	68, 000, 000	83, 236, 197	-----	+15, 236, 197
Total, Agricultural Marketing Service	106, 376, 352	91, 396, 000	107, 027, 197	+650, 845	+15, 631, 197
Foreign Agricultural Service	2, 515, 000	3, 365, 000	3, 365, 000	+850, 000	-----
Commodity Exchange Authority	693, 000	698, 000	698, 000	+5, 000	-----
Commodity Stabilization Service:					
Agricultural adjustment programs	41, 250, 000	39, 000, 000	39, 000, 000	-2, 250, 000	-----
Sugar Act program	59, 600, 000	61, 600, 000	59, 600, 000	-----	-2, 000, 000
Total, Commodity Stabilization Service	100, 850, 000	100, 600, 000	98, 600, 000	-2, 250, 000	-2, 000, 000
Federal crop insurance, salaries and expenses	6, 000, 000	6, 000, 000	6, 000, 000	-----	-----
Rural Electrification Administration, salaries and expenses	7, 285, 000	7, 680, 000	7, 680, 000	+395, 000	-----
Farmers' Home Administration, salaries and expenses	23, 550, 000	24, 500, 000	24, 500, 000	+950, 000	-----
Office of General Counsel	2, 079, 000	2, 164, 000	2, 079, 000	-----	-85, 000

Comparative statement of appropriations for 1955, estimates for 1956, and amounts recommended in the bill for 1956—Con.

(TITLE I)—Continued

Agency and item	Appropriations, 1955	Estimates, 1956	Recommended in bill for 1956	Bill compared with—	
				1955 appropriations	1956 estimates
Office of Secretary-----	\$2, 116, 000	\$2, 172, 600	\$2, 116, 000	-----	—\$56, 600
Office of Information-----	1, 216, 000	1, 238, 000	1, 238, 000	+ \$22, 000	-----
Library-----	659, 950	659, 950	659, 950	-----	-----
Total, regular activities-----	653, 129, 960	711, 531, 958	694, 107, 434	+40, 977, 474	--17, 424, 524

○



Union Calendar No. 75

84TH CONGRESS
1ST SESSION

H. R. 5239

[Report No. 303]

IN THE HOUSE OF REPRESENTATIVES

MARCH 25, 1955

Mr. WHITTEN, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

Making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1956, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the Depart-
5 ment of Agriculture and Farm Credit Administration for
6 the fiscal year ending June 30, 1956, namely:

DEPARTMENT OF AGRICULTURE

TITLE I—REGULAR ACTIVITIES

AGRICULTURAL RESEARCH SERVICE

SALARIES AND EXPENSES

For expenses necessary to perform agricultural research relating to production and utilization, to control and eradicate pests and plant and animal diseases, and to perform related inspection, quarantine and regulatory work, and meat inspection: *Provided*, That not to exceed \$15,000 of the appropriations hereunder shall be available for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U. S. C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a) : *Provided further*, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase (for emergency replacement only) of not to exceed one: *Provided further*, That appropriations hereunder shall be available pursuant to 5 U. S. C. 565a for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any one building (except headhouses connecting greenhouses) shall not exceed \$7,500 and the cost of altering any one building during the fiscal year shall not exceed \$3,750 or two per centum of the cost of the building, whichever is greater: *Provided further*, That appropriations hereunder shall be available for uniforms, or

allowances therefor, as authorized by the Act of September 1, 1954 (68 Stat. 1114) :

Research: For research and demonstrations on the production and utilization of agricultural products, and related research and services, including administration of payments to State Agricultural Experiment Stations; \$37,000,000: *Provided*, That not less than \$200,000 of this appropriation shall be available to conduct a special study of (1) the effect on farm income and the general economy of the United States of acreage reductions imposed on 1954 and 1955 crops, and (2) the most satisfactory solution to this problem, including the encouragement of sound soil conservation practices upon land diverted from production under such acreage restrictions.

Plant and animal disease and pest control: For operations and measures to control and eradicate pests and plant and animal diseases and for carrying out assigned inspection, quarantine and regulatory activities, as authorized by law; \$17,750,000, of which \$400,000 shall be apportioned for use pursuant to section 3679 of the Revised Statutes, as amended, for the control of outbreaks of insects and plant diseases under the joint resolution approved May 9, 1938 (7 U. S. C. 148-148e), and the Act of August 13, 1954 (Public Law 586), to the extent necessary to meet emergency conditions: *Provided further*,

1 That no part of this appropriation shall be used to pay the
2 cost or value of trees, farm animals, farm crops, or other
3 property injured or destroyed as a result of plant insect
4 and disease control activities except potatoes and tomatoes
5 as authorized under the Golden Nematode Act: *Provided*
6 *further*, That, in the discretion of the Secretary, no part of
7 this appropriation shall be expended for the control of sweet-
8 potato weevil in any State until such State has provided
9 cooperation necessary to accomplish this purpose, or for
10 barberry eradication until a sum or sums at least equal to
11 such expenditures shall have been made available by States,
12 counties, or local authorities, or by individuals or organiza-
13 tions for the accomplishment of this purpose, or with respect
14 to the golden nematode except as prescribed in section 4 of
15 the Golden Nematode Act.

16 Meat inspection: For carrying out the provisions of laws
17 relating to Federal inspection of meat and meat-food products
18 and the applicable provisions of the laws relating to process
19 or renovated butter; \$14,325,000.

20 PAYMENTS TO STATES, HAWAII, ALASKA, AND PUERTO RICO

21 For payments to the States, Hawaii, Alaska, and Puerto
22 Rico to be paid quarterly in advance where applicable, to
23 carry into effect the provisions of the following Acts relating
24 to agricultural experiment stations:

25 Hatch Act, the Act approved March 2, 1887 (7 U. S. C.

1 362, 363, 365, 368, 377-379), \$720,000; Adams Act, the
2 Act approved March 16, 1906 (7 U. S. C. 369), \$720,000;
3 Purnell Act, the Act approved February 24, 1925 (7
4 U. S. C. 361, 366, 370, 371, 373-376, 380, 382),
5 \$2,880,000; Bankhead-Jones Act, title I of the Act approved
6 June 29, 1935 (7 U. S. C. 427-427g), sections 3 and 5,
7 \$2,863,708, and sections 9 and 11 of said Act as added by
8 the Act of August 14, 1946 (7 U. S. C. 427h, 427j), includ-
9 ing administration by the Office of Experiment Stations in
10 the United States Department of Agriculture, \$16,800,-
11 000, no part of which latter amount shall be used
12 for beginning construction of any building costing in
13 excess of \$15,000; Hawaii, the Act approved May 16, 1928
14 (7 U. S. C. 386-386b), extending the benefits of certain
15 Acts of Congress to the Territory of Hawaii, \$90,000;
16 Alaska, the Act approved February 23, 1929 (7 U. S. C.
17 386c), extending the benefits of the Hatch Act to the Terri-
18 tory of Alaska, \$15,000, and the provisions of section 2 of the
19 Act approved June 20, 1936, as amended (7 U. S. C.
20 369a), extending the benefits of the Adams and Purnell Acts
21 to the Territory of Alaska, \$75,000; Puerto Rico, the Act
22 approved March 4, 1931, as amended (7 U. S. C. 386d-
23 386f), extending the benefits of certain Acts of Congress to
24 Puerto Rico, \$90,000; section 204 (b) of the Agricultural
25 Marketing Act, the Act approved August 14, 1946 (7

1 U. S. C. 1623), \$500,000; in all, payments to States,
2 Hawaii, Alaska, and Puerto Rico, \$24,753,708.

3 FOOT-AND-MOUTH AND OTHER CONTAGIOUS DISEASES OF
4 ANIMALS AND POULTRY

5 Eradication activities: For expenses necessary in the
6 arrest and eradication of foot-and-mouth disease, rinderpest,
7 contagious pleuro-pneumonia, or other contagious or infec-
8 tious diseases of animals, or European fowl pest and similar
9 diseases in poultry, including the payment of claims grow-
10 ing out of destruction of animals (including poultry) af-
11 fected by or exposed to, or of materials contaminated by or
12 exposed to, any such disease, when there has been compli-
13 ance with all lawful quarantine regulations, and for foot-and-
14 mouth disease and rinderpest programs undertaken pursuant
15 to the provisions of the Act of February 28, 1947, and the
16 Act of May 29, 1884, as amended (7 U. S. C. 391; 21
17 U. S. C. 111-122), including expenses in accordance with
18 section 2 of said Act of February 28, 1947, the Secretary
19 may transfer from other appropriations or funds available to
20 the bureaus, corporations, or agencies of the Department
21 such sums as he may deem necessary, but not to exceed
22 \$2,250,000 for eradication of vesicular exanthema of swine,
23 to be available only in an emergency which threatens
24 the livestock or poultry industry of the country, and any
25 unexpended balances of funds transferred under this head

1 in the next preceding fiscal year shall be merged with
 2 such transferred amounts: *Provided*, That, except for pay-
 3 ments made pursuant to said Act of February 28, 1947, the
 4 payment for animals may be made on appraisement based on
 5 the meat, egg-production, dairy, or breeding value, but in
 6 case of appraisement based on breeding value no appraise-
 7 ment of any animal shall exceed three times its meat, egg-
 8 production, or dairy value and, except in case of an extraor-
 9 dinary emergency to be determined by the Secretary, the
 10 payment by the United States shall not exceed one-half of
 11 any such appraisements: *Provided further*, That this appro-
 12 priation shall be subject to applicable provisions contained
 13 in the item "Salaries and expenses, Agricultural Research
 14 Service".

15 Research: For expenses necessary for research author-
 16 ized by the Act of April 24, 1948 (21 U. S. C. 113a).
 17 \$1,900,000.

18 EXTENSION SERVICE

19 PAYMENTS TO STATES, HAWAII, ALASKA, AND PUERTO RICO

20 For payments for cooperative agricultural extension work
 21 under the Smith-Lever Act, as amended by the Act of June
 22 26, 1953 (Public Law 83), \$44,155,000; and payments
 23 and contracts for such work under section 204 (b)-205 of
 24 the Agricultural Marketing Act of 1946 (7 U. S. C. 1623-
 25 1624), \$1,320,000; in all, \$45,475,000: *Provided*, That

1 funds hereby appropriated pursuant to section 3 (c)
2 of the Act of June 26, 1953 (Public Law 83) shall not
3 be paid to any State, Hawaii, Alaska, or Puerto Rico prior
4 to availability of an equal sum from non-Federal sources
5 for expenditure during the current fiscal year.

6 FEDERAL EXTENSION SERVICE

Administration and coordination: For administration of the Smith-Lever Act, as amended by the Act of June 26, 1953 (Public Law 83), and extension aspects of the Agricultural Marketing Act of 1946 (7 U. S. C. 1621-1627), and to coordinate and provide program leadership for the extension work of the Department and the several States, Territories, and insular possessions, \$1,920,000.

14 Penalty mail: For costs of penalty mail for cooperative
15 extension agents, \$1,500,000.

16 FARMER COOPERATIVE SERVICE

17 For necessary expenses to carry out the Act of July 2,
18 1926 (7 U. S. C. 451-457), \$408,000.

19 SOIL CONSERVATION SERVICE

20 CONSERVATION OPERATIONS

21 For necessary expenses for carrying out the provisions
22 of the Act of April 27, 1935 (16 U. S. C. 590a-590f),
23 including preparation of conservation plans and establish-
24 ment of measures to conserve soil and water (including farm
25 irrigation and land drainage and such special measures

1 as may be necessary to prevent floods and the siltation
2 of reservoirs) ; operation of conservation nurseries; classi-
3 fication and mapping of soils; dissemination of informa-
4 tion; purchase and erection or alteration of permanent
5 buildings; operation and maintenance of aircraft; and
6 furnishing of subsistence to employees; \$58,612,579:
7 *Provided*, That the cost of any permanent building pur-
8 chased, erected, or as improved, exclusive of the cost of
9 constructing a water supply or sanitary system and connect-
10 ing the same to any such building and with the exception
11 of buildings acquired in conjunction with land being pur-
12 chased for other purposes, shall not exceed \$2,500, except
13 for eight buildings to be constructed or improved at a cost
14 not to exceed \$15,000 per building and except that altera-
15 tions or improvements to other existing permanent buildings
16 costing \$2,500 or more may be made in any fiscal year
17 in an amount not to exceed \$500 per building: *Provided*
18 *further*, That no part of this appropriation shall be avail-
19 able for the construction of any such building on land not
20 owned by the Government: *Provided further*, That in the
21 State of Missouri, where the State has established a central
22 State agency authorized to enter into agreements with the
23 United States or any of its agencies on policies and general
24 programs for the saving of its soil by the extension of Fed-

1 eral aid to any soil conservation district in such State, the
2 agreements made by or on behalf of the United States with
3 any such soil conservation district shall have the prior
4 approval of such central State agency before they shall
5 become effective as to such district: *Provided further*, That
6 no part of this appropriation may be expended for soil and
7 water conservation operations under the Act of April 27,
8 1935 (16 U. S. C. 590a-590f), in demonstration projects:
9 *Provided further*, That not to exceed \$5,000 may be used
10 for employment pursuant to the second sentence of section
11 706 (a) of the Organic Act of 1944 (5 U. S. C.
12 574), as amended by section 15 of the Act of August 2,
13 1946 (5 U. S. C. 55a): *Provided further*, That qualified
14 local engineers may be temporarily employed at per diem
15 rates to perform the technical planning work of the service.

16 WATERSHED PROTECTION

17 For expenses necessary to conduct surveys, investiga-
18 tions, and research and to carry out preventive measures,
19 including, but not limited to, engineering operations,
20 methods of cultivation, the growing of vegetation, and
21 changes in use of land, in accordance with the Watershed
22 Protection and Flood Prevention Act, approved August 4,
23 1954 (Public Law 566), and the provisions of the Act of
24 April 27, 1935 (16 U. S. C. 590a-590f), to remain
25 available until expended, \$12,000,000, with which shall be

1 merged the unexpended balances of funds heretofore appro-
2 priated or transferred to the Department for watershed pro-
3 tection purposes.

4 FLOOD PREVENTION

5 For expenses necessary, in accordance with the Flood
6 Control Act, approved June 22, 1936 (Public Law 738), as
7 amended and supplemented, and in accordance with the
8 provisions of laws relating to the activities of the Depart-
9 ment, to perform works of improvement, including not to
10 exceed \$100,000 for employment pursuant to the second
11 sentence of section 706 (a) of the Organic Act of
12 1944 (5 U. S. C., 574), as amended by section 15 of
13 the Act of August 2, 1946 (5 U. S. C. 55a), at rates
14 for individuals not to exceed \$100 per diem, to remain
15 available until expended, \$10,000,000, with which shall
16 be merged the unexpended balances of funds heretofore ap-
17 propriated or transferred to the Department for flood pre-
18 vention purposes: *Provided*, That no part of such funds shall
19 be used for the purchase of lands in the Yazoo and Little
20 Tallahatchie watersheds without specific approval of the
21 county board of supervisors of the county in which such lands
22 are situated: *Provided further*, That hereafter the funds
23 appropriated for flood prevention purposes may be expended
24 in watersheds heretofore authorized by section 13 of the
25 Flood Control Act of December 22, 1944, as amended, for

1 necessary measures for the prevention of erosion, floodwater,
2 and sediment damages, including gully control, floodwater
3 detention, and floodway structures, in areas other than those
4 over which the Department of the Army has jurisdiction
5 and responsibility.

6 AGRICULTURAL CONSERVATION PROGRAM SERVICE

7 For necessary expenses to carry into effect the provi-
8 sions of sections 7 to 17, inclusive, of the Soil Conservation
9 and Domestic Allotment Act, approved February 29, 1936,
10 as amended (16 U. S. C. 590g-590q), including not to
11 exceed \$6,000 for the preparation and display of exhibits,
12 including such displays at State, interstate, and international
13 fairs within the United States; \$214,500,000, to remain
14 available until December 31 of the next succeeding fiscal
15 year for compliance with the program of soil-building prac-
16 tices and soil- and water-conserving practices authorized
17 under this head in the Department of Agriculture and Farm
18 Credit Administration Appropriation Act 1955, carried
19 out during the period July 1, 1954, to December 31, 1955,
20 inclusive: *Provided*, That not to exceed \$22,500,000 of the
21 total sum provided under this head shall be available during
22 the current fiscal year for salaries and other administrative
23 expenses for carrying out such program, the cost of
24 aerial photographs, however, not to be charged to such
25 limitation; but not more than \$4,020,000 shall be trans-

ferred to the appropriation account, "Administrative expenses, section 392, Agricultural Adjustment Act of 1938":

Provided further, That payments to claimants hereunder may be made upon the certificate of the claimant, which certificate shall be in such form as the Secretary may prescribe, that he has carried out the conservation practice or practices and has complied with all other requirements as conditions for such payments and that the statements and information contained in the application for payment are correct and true, to the best of his knowledge and belief, under the penalties of title 18, United States Code: *Provided further*, That none of the funds herein appropriated or made available for the functions assigned to the Agricultural Adjustment Agency pursuant to the Executive Order Numbered 9069, of February 23, 1942, shall be used to pay the salaries or expenses of any regional information employees or any State information employees, but this shall not preclude the answering of inquiries or supplying of information at the county level to individual farmers: *Provided further*, That such amount shall be available for salaries and other administrative expenses in connection with the formulation and administration of the 1956 program of soil-building practices and soil- and water-conserving practices, under the Act of February 29, 1936, as amended (amounting to \$250,000,000, including

1 administration, and formulated on the basis of a distribution
2 of the funds available for payments and grants among the
3 several States in accordance with their conservation needs
4 as determined by the Secretary, except that the proportion
5 allocated to any State shall not be reduced more than 15
6 per centum from the distribution for the next preceding
7 program year, and no participant shall receive more than
8 \$1,500, except where the participants from two or more
9 farms or ranches join to carry out approved practices de-
10 signed to conserve or improve the agricultural resources of the
11 community) ; but the payments or grants under such pro-
12 grams shall be conditioned upon the utilization of land with
13 respect to which such payments or grants are to be made in
14 conformity with farming practices which will encourage and
15 provide for soil-building and soil- and water-conserving prac-
16 tices in the most practical and effective manner and adapted
17 to conditions in the several States, as determined and
18 approved by the State committees appointed pursuant to
19 section 8 (b) of the Soil Conservation and Domestic Al-
20 lotment Act, as amended (16 U. S. C. 590h (b)), for
21 the respective States: *Provided further*, That not to
22 exceed 5 per centum of the allocation for the 1955 agri-
23 cultural conservation program for any county may, on
24 the recommendation of such county committee and ap-
25 proval of the State committee, be withheld and allotted

1 to the Soil Conservation Service for services of its tech-
2 nicians in formulating and carrying out the agricultural
3 conservation program in the participating counties, and
4 the funds so allotted may be placed in a single account
5 for each State, and shall not be utilized by the Soil Con-
6 servation Service for any purpose other than technical
7 and other assistance in such counties: *Provided further,*
8 That for the 1956 program \$2,500,000 shall be avail-
9 able for technical assistance in formulating and carrying
10 out agricultural conservation practices and \$1,000,000
11 shall be available for conservation practices related
12 directly to flood-prevention work in approved water-
13 sheds: *Provided further,* That in carrying out the
14 1956 program the Secretary shall give particular consid-
15 eration to the conservation problems on farmlands di-
16 verted from crops under acreage-allotment programs:
17 *Provided further,* That such amounts shall be available
18 for the purchase of seeds, fertilizers, lime, trees, or any
19 other farming material, or any soil-terracing services, and
20 making grants thereof to agricultural producers to aid
21 them in carrying out farming practices approved by the
22 Secretary under programs provided for herein: *Provided*
23 *further,* That no part of any funds available to the De-
24 partment, or any bureau, office, corporation, or other
25 agency constituting a part of such Department, shall be

1 used in the current fiscal year for the payment of sal-
2 ary or travel expenses of any person who has been con-
3 victed of violating the Act entitled "An Act to prevent
4 pernicious political activities", approved August 2, 1939, as
5 amended, or who has been found in accordance with the
6 provisions of title 18, United States Code, section 1913, to
7 have violated or attempted to violate such section which
8 prohibits the use of Federal appropriations for the payment
9 of personal services or other expenses designed to influ-
10 ence in any manner a Member of Congress to favor or op-
11 pose any legislation or appropriation by Congress except
12 upon request of any Member or through the proper official
13 channels.

14 AGRICULTURAL MARKETING SERVICE

15 MARKETING RESEARCH AND SERVICE

16 For expenses necessary to carry on research and service
17 to improve and develop marketing and distribution relating
18 to agriculture as authorized by the Agricultural Marketing
19 Act of 1946 (7 U. S. C. 1621-1627) and other laws, in-
20 cluding the administration of marketing regulatory acts
21 connected therewith: *Provided*, That appropriations here-
22 under shall be available pursuant to U. S. C. 565a for the
23 construction, alteration, and repair of buildings and improve-
24 ments, but unless otherwise provided, the cost of erecting
25 any one building shall not exceed \$7,500 and the cost of

1 altering any one building during the fiscal year shall not
2 exceed \$3,750 or 2 per centum of the cost of the building,
3 whichever is greater:

4 Marketing research and agricultural estimates: For
5 research and development relating to agricultural marketing
6 and distribution, for analyses relating to farm prices, income
7 and population, and demand for farm products, and for crop
8 and livestock estimates; \$10,981,000: *Provided*, That not
9 less than \$1,000,000 of the funds contained in this appro-
10 priation shall be available to gather statistics and conduct a
11 special study on the price spread between the farmer and
12 the consumer: *Provided further*, That no part of the funds
13 herein appropriated shall be available for any expense inci-
14 dent to ascertaining, collating, or publishing a report stating
15 the intention of farmers as to the acreage to be planted in
16 cotton, or for estimates of apple production for other than
17 the commercial crop.

18 Marketing services: For services relating to agricul-
19 tural marketing and distribution, for carrying out regulatory
20 acts connected therewith, and for administration and
21 coordination of payments to States; \$11,810,000, in-
22 cluding not to exceed \$25,000 for employment at rates
23 not to exceed \$100 per diem, pursuant to the second
24 sentence of section 706 (a) of the Organic Act of

1 1944 (5 U. S. C. 574), as amended by section 15 of the
2 Act of August 2, 1946 (5 U. S. C. 55a), in carrying out
3 section 201 (a) to 201 (d), inclusive, of title II of the
4 Agricultural Adjustment Act of 1938 (7 U. S. C. 1291)
5 and section 203 (j) of the Agricultural Marketing Act of
6 1946.

7 PAYMENTS TO STATES, TERRITORIES, AND POSSESSIONS

8 For payments to departments of agriculture, bureaus
9 and departments of markets and similar agencies for market-
10 ing activities under section 204 (b) of the Agricultural
11 Marketing Act of 1946 (7 U. S. C. 1623 (b)), \$1,000,000.

12 SCHOOL LUNCH PROGRAM

13 For necessary expenses to carry out the provisions of the
14 National School Lunch Act (42 U. S. C. 1751-1760),
15 \$83,236,197: *Provided*, That no part of this appropriation
16 shall be used for nonfood assistance under section 5 of said
17 Act.

18 FOREIGN AGRICULTURAL SERVICE

19 For necessary expenses for the Foreign Agricultural
20 Service, including carrying out title VI of the Agricultural
21 Act of 1954 (Public Law 690, approved August 28,
22 1954), and for enabling the Secretary to coordinate and
23 integrate activities of the Department in connection with
24 foreign agricultural work, including not to exceed \$20,000
25 for representation allowances, \$3,365,000: *Provided*, That

1 not less than \$500,000 of the funds contained in this appro-
2 priation shall be available to obtain statistics and related
3 facts on foreign production and full and complete informa-
4 tion on methods used by other countries to move farm com-
5 modities in world trade on a competitive basis.

6 COMMODITY EXCHANGE AUTHORITY

7 For necessary expenses to carry into effect the pro-
8 visions of the Commodity Exchange Act, as amended (7
9 U. S. C. 1-17a), \$698,000.

10 COMMODITY STABILIZATION SERVICE

11 AGRICULTURAL ADJUSTMENT PROGRAMS

12 For necessary expenses to formulate and carry out acre-
13 age allotment and marketing quota programs pursuant to
14 provisions of title III of the Agricultural Adjustment Act of
15 1938, as amended (7 U. S. C. 1301-1393), \$39,000,000,
16 of which not more than \$5,500,000 shall be transferred to
17 the appropriation account "Administrative expenses, section
18 392, Agricultural Adjustment Act of 1938".

19 SUGAR ACT PROGRAM

20 For necessary expenses to carry into effect the provisions
21 of the Sugar Act of 1948 (7 U. S. C. 1101-1160),
22 \$59,600,000, to remain available until June 30 of the next
23 succeeding fiscal year: *Provided*, That expenditures (includ-
24 ing transfers) from this appropriation for other than payments
25 to sugar producers shall not exceed \$1,440,000.

1 FEDERAL CROP INSURANCE CORPORATION

2 For operating and administrative expenses, \$6,000,000.

3 RURAL ELECTRIFICATION ADMINISTRATION

4 To carry into effect the provisions of the Rural Electri-
5 fication Act of 1936, as amended (7 U. S. C. 901-924), as
6 follows:

7 LOAN AUTHORIZATIONS

8 For loans in accordance with said Act, and for carrying
9 out the provisions of section 7 thereof, to be borrowed from
10 the Secretary of the Treasury in accordance with the pro-
11 visions of section 3 (a) of said Act as follows: Rural elec-
12 trification program, \$160,000,000; and rural telephone
13 program, \$75,000,000; and additional amounts, not to
14 exceed \$100,000,000 for the rural electrification program,
15 may be borrowed under the same terms and conditions
16 to the extent that such additional amounts are required
17 during the fiscal year 1956, under the then existing con-
18 ditions, for the expeditious and orderly development of the
19 program.

20 SALARIES AND EXPENSES

21 For administrative expenses, including not to exceed
22 \$500 for financial and credit reports, and not to exceed
23 \$150,000 for employment pursuant to the second sentence
24 of section 706 (a) of the Organic Act of 1944 (5 U. S. C.

1 574), as amended by section 15 of the Act of August 2,
2 1946 (5 U. S. C. 55a), \$7,680,000.

3 FARMERS' HOME ADMINISTRATION

4 To carry into effect the provisions of titles I, II, and
5 the related provisions of title IV of the Bankhead-Jones
6 Farm Tenant Act, as amended (7 U. S. C. 1000-1031);
7 the Farmers' Home Administration Act of 1946 (7 U. S. C.
8 1001, note; 31 U. S. C. 82h; 12 U. S. C. 371; 35 D. C.
9 Code 535; 60 Stat. 1062-1080); the Act of July 30, 1946
10 (40 U. S. C. 436-439); the Act of August 28, 1937, as
11 amended (16 U. S. C. 590r-590x, 590z-5), for the develop-
12 ment of facilities for water storage and utilization in the
13 arid and semiarid areas of the United States; the provisions
14 of title V of the Housing Act of 1949 (42 U. S. C. 1471-
15 1483), as amended by the Housing Act of 1952 (Public
16 Law 531, approved July 14, 1952), relating to financial
17 assistance for farm housing; the Rural Rehabilitation Corpo-
18 ration Trust Liquidation Act, approved May 3, 1950 (40
19 U. S. C. 440-444); the items "Loans to farmers, 1948
20 flood damage" in the Act of June 25, 1948 (62 Stat.
21 1038), and "Loans to farmers, property damage" in the
22 Act of May 24, 1949 (63 Stat. 82); the collecting and
23 servicing of credit sales and development accounts in water

1 conservation and utilization projects (53 Stat. 685, 719),
2 as amended and supplemented (16 U. S. C. 590y, z1 and
3 z10) ; and the Act to direct the Secretary of Agriculture
4 to convey certain mineral interests, approved September 6,
5 1950 (7 U. S. C. 1033-1039), as follows:

6 LOAN AUTHORIZATIONS

7 For loans (including payments in lieu of taxes and
8 taxes under section 50 of the Bankhead-Jones Farm Tenant
9 Act, as amended, and advances incident to the acquisition
10 and preservation of security of obligations under the fore-
11 going several authorities) : Title I and section 43 of title
12 IV of the Bankhead-Jones Farm Tenant Act, as amended,
13 \$19,000,000, of which not to exceed \$5,000,000 may be
14 distributed to States and Territories without regard to farm
15 population and prevalence of tenancy, in addition to the
16 amount otherwise distributed thereto, for loans in reclamation
17 projects and to entrymen on unpatented public land; title II
18 of the Bankhead-Jones Farm Tenant Act, as amended,
19 \$122,500,000; the Act of August 28, 1937, as amended,
20 \$11,500,000: *Provided*, That not to exceed the foregoing
21 several amounts shall be borrowed in one account from the
22 Secretary of the Treasury in accordance with the provisions
23 set forth under this head in the Department of Agriculture
24 Appropriation Act, 1952.

SALARIES AND EXPENSES

For making, servicing, and collecting loans and insured mortgages, the servicing and collecting of loans made under prior authority, the liquidation of assets transferred to Farmers' Home Administration, and other administrative expenses, \$24,500,000, together with a transfer of not to exceed \$400,000 of the fees and administrative expense charges made available by subsections (d) and (e) of section 12 of the Bankhead-Jones Farm Tenant Act, as amended.

OFFICE OF THE GENERAL COUNSEL

For necessary expenses, including payment of fees or dues for the use of law libraries by attorneys in the field service, \$2,079,000, together with such amounts from other appropriations or authorizations as are provided in the schedules in the budget for the current fiscal year for such expenses, which several amounts not exceeding a total of \$300,000 shall be transferred to and made a part of this appropriation.

OFFICE OF THE SECRETARY

For expenses of the Office of the Secretary of Agriculture, including the purchase of one passenger motor vehicle for replacement only; expenses of the National Agricultural Advisory Commission; stationery, supplies, materials, and equipment; freight, express, and drayage charges; advertising of bids, communication service, postage, washing

1 towels, repairs and alterations, and other miscellaneous sup-
2 plies and expenses not otherwise provided for and necessary
3 for the practical and efficient work of the Department of
4 Agriculture; \$2,116,000, together with such amounts from
5 other appropriations or authorizations as are provided in
6 the schedules in the budget for the current fiscal year for
7 such services and expenses, which several amounts or por-
8 tions thereof, as may be determined by the Secretary, not
9 exceeding a total of \$84,280, shall be transferred to and
10 made a part of this appropriation.

11 OFFICE OF INFORMATION

12 For necessary expenses of the Office of Information for
13 the dissemination of agricultural information and the coor-
14 dination of informational work and programs authorized
15 by Congress in the Department, \$1,238,000, together
16 with such amounts from other appropriations or au-
17 thorizations as are provided in the schedules in the budget
18 for the current fiscal year for such expenses, which several
19 amounts not exceeding a total of \$16,014 shall be transferred
20 to and made a part of this appropriation, of which total
21 appropriation not to exceed \$537,000 may be used for
22 farmers' bulletins, which shall be adapted to the interests of
23 the people of the different sections of the country, an equal
24 proportion of four-fifths of which shall be delivered to or sent
25 out under the addressed franks furnished by the Senators,

1 Representatives, and Delegates in Congress, as they shall
2 direct (7 U. S. C. 417) and not less than two hundred thirty
3 thousand eight hundred and fifty copies for the use of the
4 Senate and House of Representatives of part 2 of the annual
5 report of the Secretary (known as the Yearbook of Agricul-
6 ture) as authorized by section 73 of the Act of January 12,
7 1895 (44 U. S. C. 241) : *Provided*, That in the preparation
8 of motion pictures or exhibits by the Department, not ex-
9 ceeding a total of \$10,000 may be used for employment
10 pursuant to the second sentence of section 706 (a) of the
11 Organic Act of 1944 (5 U. S. C. 574), as amended by
12 section 15 of the Act of August 2, 1946 (5 U. S. C. 55a) :
13 *Provided further*, That no part of this appropriation shall be
14 used for the establishment or maintenance of regional or State
15 field offices, or for the compensation of employees in such
16 offices.

17 LIBRARY

18 For necessary expenses, including dues for library mem-
19 bership in societies or associations which issue publications
20 to members only or at a price to members lower than to sub-
21 scribers who are not members, \$659,950.

22 TITLE II—CORPORATIONS

23 The following corporations and agencies are hereby
24 authorized to make such expenditures, within the limits of
25 funds and borrowing authority available to each such cor-

1 poration or agency and in accord with law, and to make such
2 contracts and commitments without regard to fiscal year
3 limitations as provided by section 104 of the Government
4 Corporation Control Act, as amended, as may be necessary
5 in carrying out the programs set forth in the budget for the
6 fiscal year 1956 for such corporation or agency, except as
7 hereinafter provided:

8 Federal Crop Insurance Corporation: *Provided*, That the
9 direct costs of loss adjusters for crop inspections and loss
10 adjustments may be considered as nonadministrative or non-
11 operating expenses: *Provided further*, That not to exceed
12 \$1,500,000 of administrative and operating expenses may be
13 paid from premium income.

14 COMMODITY CREDIT CORPORATION

15 RESTORATION OF CAPITAL IMPAIRMENT

16 To restore the capital impairment of the Commodity
17 Credit Corporation determined by the appraisal of June
18 30, 1954, pursuant to section 1 of the Act of March 8, 1938,
19 as amended (15 U. S. C. 713a-1), \$1,634,659.

20 LIMITATION ON ADMINISTRATIVE EXPENSES

21 Nothing in this Act shall be so construed as to prevent
22 the Commodity Credit Corporation from carrying out any
23 activity or any program authorized by law: *Provided*, That

1 not to exceed \$26,000,000 shall be available for admin-
2 istrative expenses of the Corporation: *Provided further,*
3 That \$2,000,000 of this authorization shall be available only
4 to expand and strengthen the sales program of the Corpora-
5 tion pursuant to authority contained in the Corporation's
6 charter: *Provided further,* That all necessary expenses (in-
7 cluding legal and special services performed on a contract
8 or fee basis, but not including other personal services) in
9 connection with the acquisition, operation, maintenance, im-
10 provement, or disposition of any real or personal property
11 belonging to the Corporation or in which it has an interest,
12 including expenses of collections of pledged collateral, shall
13 be considered as nonadministrative expenses for the pur-
14 poses hereof.

15 TITLE III—SPECIAL ACTIVITIES

16 RESEARCH ON STRATEGIC AND CRITICAL AGRICULTURAL 17 MATERIALS

18 For expenses necessary to carry out section 7 (b) of
19 the Strategic and Critical Materials Stock Piling Act of
20 July 23, 1946 (50 U. S. C. 98f), \$300,000: *Provided,*
21 That this appropriation shall be subject to applicable pro-
22 visions contained in the item "Salaries and expenses, Agri-
23 cultural Research Service".

1 REPAYMENT TO COMMODITY CREDIT CORPORATION FOR
2 ERADICATION OF FOOT-AND-MOUTH AND OTHER CON-
3 TAGIOUS DISEASES OF ANIMALS AND POULTRY

4 For reimbursement to Commodity Credit Corporation
5 for sums transferred to the appropriation "Eradication of
6 foot-and-mouth and other contagious diseases of animals and
7 poultry", fiscal year 1954 (including interest thereon through
8 June 30, 1955), pursuant to authority contained under such
9 head in the Department of Agriculture Appropriation Act,
10 1954, \$5,788,897.

11 INTERNATIONAL WHEAT AGREEMENT

12 To discharge indebtedness of the Commodity Credit
13 Corporation to the Secretary of the Treasury for the net
14 costs during the fiscal year 1954 (including interest thereon
15 through June 30, 1955) under the International Wheat
16 Agreement Act of 1949, as amended (7 U. S. C. 1641-
17 1642), \$57,378,551.

18 REIMBURSEMENT TO COMMODITY CREDIT CORPORATION
19 FOR TRANSFER OF WHEAT TO PAKISTAN

20 To reimburse the Commodity Credit Corporation for
21 its investment (including costs of handling, delivery, and
22 interest through June 30, 1955) in wheat transferred to
23 the Government of Pakistan under the Act of June 25,
24 1953 (67 Stat. 80), \$69,273,881.

1 REIMBURSEMENT TO COMMODITY CREDIT CORPORATION
2 FOR EMERGENCY FEED ASSISTANCE

3 To reimburse the Commodity Credit Corporation for
4 losses representing the difference between the value of feed
5 furnished farmers and stockmen in disaster areas and sales
6 price received by the Corporation, \$42,100,000.

7 REIMBURSEMENT TO COMMODITY CREDIT CORPORATION
8 FOR EMERGENCY FAMINE RELIEF TO FRIENDLY
9 PEOPLES

10 To reimburse the Commodity Credit Corporation for
11 its investment (including costs of handling, delivery, and
12 interest through June 30, 1955) in commodities disposed
13 of under the Act of August 7, 1953 (67 Stat. 476),
14 \$9,676,628.

15 TITLE IV—FARM CREDIT ADMINISTRATION

16 Not to exceed \$2,320,000 (from assessments collected
17 from farm credit agencies) shall be obligated during the
18 current fiscal year for administrative expenses, including
19 \$3,500 for the purchase and installation of air-conditioning
20 equipment (40 U. S. C. 317).

21 Federal Farm Mortgage Corporation: Not to exceed
22 \$550,000 (to be computed on an accrual basis) of the
23 funds of the Corporation shall be available for admin-
24 istrative expenses, including employment on a contract or fee.

1 basis of persons, firms, and corporations for the perform-
2 ance of special services, including legal services, and the use
3 of the services and facilities of Federal land banks,
4 national farm loan associations, Federal Reserve banks,
5 and agencies of the Government as authorized by the
6 Act of January 31, 1934 (12 U. S. C. 1020-1020h) ;
7 and said total sum shall be exclusive of services and facilities
8 furnished and examinations made by the Farm Credit Ad-
9 ministration, interest expense, and expenses in connection
10 with the acquisition, operation, maintenance, improve-
11 ment, protection, or disposition of real or personal prop-
12 erty belonging to the Corporation or in which it has an
13 interest: *Provided*, That promptly after June 30 of each
14 fiscal year all cash funds in excess of the estimated operating
15 requirements for the current fiscal year shall be declared
16 as dividends and paid into the general fund of the Treasury :
17 *Provided further*, That the aggregate amount of bonds the
18 Corporation may issue and have outstanding at any one time
19 shall not exceed \$500,000,000.

20 Federal intermediate credit banks: Not to exceed
21 \$1,825,000 (to be computed on an accrual basis) of the
22 funds of the banks shall be available for administrative
23 expenses and services performed for the banks by other
24 Government agencies (except services and facilities furnished

1 and examinations made by the Farm Credit Administra-
2 tion, and services performed by any Federal Reserve
3 bank and by the United States Treasury in connection with
4 the financial transactions of the banks) ; and said total sum
5 shall be exclusive of interest expense, legal and special serv-
6 ices performed on a contract or fee basis, and expenses in
7 connection with the acquisition, operation, maintenance, im-
8 provement, protection, or disposition of real or personal
9 property belonging to the banks or in which they have an
10 interest.

11 Production credit corporations: Not to exceed \$1,595,-
12 000 (to be computed on an accrual basis) of the funds of
13 the corporations shall be available for administrative ex-
14 penses, including the purchase of not to exceed six passenger
15 motor vehicles for replacement only, and services performed
16 for the corporations by other Government agencies (except
17 services and facilities furnished and examinations made
18 by the Farm Credit Administration) ; and said total sum
19 shall be exclusive of interest expense, legal and special
20 services performed on a contract or fee basis, and expenses
21 in connection with the acquisition, operation, maintenance,
22 improvement, protection, or disposition of real or personal
23 property belonging to the corporations or in which they
24 have an interest.

1 TITLE V—GENERAL PROVISIONS

2 SEC. 501. Within the unit limit of cost fixed by law, the
3 lump-sum appropriations and authorizations made for the
4 Department under this Act shall be available for the pur-
5 chase, in addition to those specifically provided for, of not
6 to exceed 535 passenger motor vehicles for replace-
7 ment only, and for the hire of such vehicles, necessary in the
8 conduct of the work of the Department outside the District
9 of Columbia.

10 SEC. 502. Provisions of law prohibiting or restricting
11 the employment of aliens shall not apply to (1) the tem-
12 porary employment of translators when competent citizen
13 translators are not available; (2) employment in cases of
14 emergency of persons in the field service of the Department
15 for periods of not more than sixty days; and (3) employ-
16 ment under the appropriation for the Foreign Agricultural
17 Service.

18 SEC. 503. Of appropriations herein made which are
19 available for the purchase of lands, not to exceed \$1 may be
20 expended for each option to purchase any particular tract or
21 tracts of land.

22 SEC. 504. No part of the funds appropriated by this Act
23 shall be used for the payment of any officer or employee of
24 the Department who, as such officer or employee, or on
25 behalf of the Department or any division, commission, or

1 bureau thereof, issues, or causes to be issued, any prediction,
2 oral or written, or forecast, except as to damage threatened
3 or caused by insects and pests, with respect to future prices
4 of cotton or the trend of same.

5 SEC. 505. Except to provide materials required in or
6 incident to research or experimental work where no suitable
7 domestic product is available, no part of the funds appro-
8 priated by this Act shall be expended in the purchase of
9 twine manufactured from commodities or materials produced
10 outside of the United States.

11 SEC. 506. Not less than \$1,500,000 of the appro-
12 priations of the Department for research and service
13 work authorized by the Act of August 14, 1946 (7
14 U. S. C. 427, 1621-1629), and the Act of July 28,
15 1954 (Public Law 545), shall be available for contract-
16 ing in accordance with said Acts.

17 SEC. 507. No part of any appropriation contained in
18 this Act, or of the funds available for expenditure by any
19 corporation included in this Act, shall be used to pay the
20 salary or wages of any person who engages in a strike
21 against the Government of the United States or who is a
22 member of an organization of Government employees that
23 asserts the right to strike against the Government of the
24 United States, or who advocates, or is a member of an or-
25 ganization that advocates, the overthrow of the Govern-

1 ment of the United States by force or violence: *Provided*,
2 That for the purposes hereof an affidavit shall be considered
3 prima facie evidence that the person making the affidavit
4 has not contrary to the provisions of this section engaged in
5 a strike against the Government of the United States, is
6 not a member of an organization of Government employees
7 that asserts the right to strike against the Government of
8 the United States, or that such person does not advocate,
9 and is not a member of an organization that advocates, the
10 overthrow of the Government of the United States by force
11 or violence: *Provided further*, That any person who engages
12 in a strike against the Government of the United States or
13 who is a member of an organization of Government em-
14 ployees that asserts the right to strike against the Govern-
15 ment of the United States, or who advocates, or who is a
16 member of an organization that advocates, the overthrow
17 of the Government of the United States by force or violence
18 and accepts employment the salary or wages for which are
19 paid from any appropriation or fund contained in this Act
20 shall be guilty of a felony and, upon conviction, shall be
21 fined not more than \$1,000 or imprisoned for not more than
22 one year, or both: *Provided further*, That the above penalty
23 clause shall be in addition to, and not in substitution for, any
24 other provisions of existing law: *Provided further*, That
25 nothing in this section shall be construed to require an affi-

1 davit from any person employed for less than sixty days for
2 sudden emergency work involving the loss of human life or
3 destruction of property, the payment of salary or wages may
4 be made to such persons from applicable appropriations for
5 services rendered in such emergency without execution of
6 the affidavit contemplated by this section.

7 SEC. 508. No part of any appropriation contained in
8 this Act or of the funds available for expenditure by any
9 corporation or agency included in this Act shall be used
10 for publicity or propaganda purposes to support or defeat
11 legislation pending before the Congress.

12 SEC. 509. Appropriations of the Department available
13 for research and service work authorized by the Act of
14 August 14, 1946 (7 U. S. C. 427; 7 U. S. C. 1621-1629)
15 shall be available for expenses of any advisory committee
16 established as provided in title III of said Act to assist in
17 effectuating the research and service work of the Department.

18 This Act may be cited as the "Department of Agri-
19 culture and Farm Credit Administration Appropriation Act,
20 1956".

84TH CONGRESS
1ST SESSION

H. R. 5239

[Report No. 303]

A BILL

Making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1956, and for other purposes.

By Mr. WHITTEN

MARCH 25, 1955

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued March 29, 1955
For actions of March 28, 1955
84th-1st, No. 55

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HIGHLIGHTS: House passed USDA appropriation bill. House committee reported independent offices appropriation bill. Sen. Thyne commended USDA on development of bulletin on food-pack question. Senate passed bills to: Give certain N. Mex. lands national-forest status; restore import control authority in Virgin Islands, permit ACP payments on Federal noncropland; exempt feed wheat producers from quotas.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL, 1956. Passed with a corrective amendment this bill, H. R. 5239 (pp. 3242-92). The amendment, by Rep. Whitten, would change the figure "1955" to "1956" on page 14, line 22, concerning the provision for allocation by ACPS of funds to SCS for technical service (p. 3292).

Rep. Whitten criticized the Department's administration of the farm program; urged increased use of Section 32 funds for the school-lunch program, and placing of surplus commodities on the world market at competitive prices; commended items for research and soil conservation and opposed proposal to transfer SCS activities to States; deplored the administration of CSS programs and recommended changes in personnel policies of county offices; favored two-price plan for cotton; etc. Various Members criticized and commended the Department's administration of various phases of the farm program and several Members urged help for the family farmer. Rep. Hope commended items for soil conservation, Extension Service, and payments to States for experiment stations.

2. APPROPRIATIONS. The Appropriations Committee reported without amendment H. R. 5240, the independent offices appropriation bill for 1956 (Mar. 26) (H. Rept. 304) (p. 3302). This bill includes appropriations for the Civil Service Commission, Federal Civil Defense Administration, Federal Power Commission, Federal Trade Commission, GAO, GSA, Interstate Commerce Commission, National

Science Foundation, Selective Service System and Veterans' Administration.

3. TAXATION. Received the conference report on H. R. 4259, to provide a 1-year extension of the existing corporate normal-tax rate and of certain existing excise-tax rates (H. Rept. 305)(p. 3236). Majority Leader McCormack announced that the conference report would be considered Mar. 30 (p. 3239). The Senate has agreed to the report.
4. BANKING AND CURRENCY. Rep. Spence inserted and commended Rep. Rayburn's speech wherein he discussed the dangers and abuses which may arise from the operation of uncontrolled and unregulated bank holding companies and gave "unequivocal endorsement to the principles embodied in H. R. 2674," Rep. Spence's bill to provide for the control and regulation of bank holding companies, etc. (pp. 3236-9).
5. ROAD PROGRAM. Both Houses received from the Commerce Department a report on the cost of construction needed to modernize the Nation's highways (H. Doc. 120) (pp. 3190, 3302).
Rep. Fascell stated "those of us who have recently been concerned with fiscal irresponsibility will be interested in learning of the testimony . . . where the General Accounting Office said that the "administration's road program "was unsound" (p. 3243).
Rep. McGregor stated that "if we want. . . good roads, and a national highway pattern, we must develop a sound and coordinated program which will include the financing factors" (p. 3293).
6. FOREIGN TRADE. Rep. Sikes discussed this country's trade relations with Latin America and claimed that our export trade with Latin America is equal to that with Europe and exceeds our trade with Asia, Africa, and Oceania combined (pp. 3294-6).
7. LANDS; MINERALS. The Interior and Insular Affairs Committee reported with amendment H. R. 230, providing for the acquisition and disposition of sand, stone, gravel, pumice, and cinders on public lands, including national forest lands (H. Rept. 306)(p. 3302).
8. MONOPOLIES. Rep. Patman discussed amendments he intends to propose to H. R. 3659 (to increase criminal penalties under the Sherman Antitrust Act) which would provide for even higher penalties than provided for in the bill (pp. 3299-301).
9. REPORT. Received the report of the activities of the Justice Department for the fiscal year 1954 (p. 3302).
10. SURPLUS PROPERTY; EDUCATION. Received a Rhode Island General Assembly resolution favoring H. R. 3322, to amend the Federal Property and Administrative Services Act of 1949 relating to the administration of the program on donation of surplus property for education and health purposes (p. 3303).
11. LEGISLATIVE PROGRAM for today, Mar. 29, as stated in the "Daily Digest": Consent and Private Calendars, and bill to increase criminal penalties under the Sherman Antitrust Act; and Wed., the conference report on the bill to extend corporate normal-tax rate and certain existing excise-tax rates (p. D257).

84TH CONGRESS
1ST SESSION

H. R. 5239

IN THE SENATE OF THE UNITED STATES

MARCH 30 (legislative day, MARCH 10), 1955

Read twice and referred to the Committee on Appropriations

AN ACT

Making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1956, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the Depart-
5 ment of Agriculture and Farm Credit Administration for
6 the fiscal year ending June 30, 1956, namely:

DEPARTMENT OF AGRICULTURE

TITLE I—REGULAR ACTIVITIES

AGRICULTURAL RESEARCH SERVICE

SALARIES AND EXPENSES

For expenses necessary to perform agricultural research relating to production and utilization, to control and eradicate pests and plant and animal diseases, and to perform related inspection, quarantine and regulatory work, and meat inspection: *Provided*, That not to exceed \$15,000 of the appropriations hereunder shall be available for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U. S. C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a) : *Provided further*, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase (for emergency replacement only) of not to exceed one: *Provided further*, That appropriations hereunder shall be available pursuant to 5 U. S. C. 565a for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any one building (except headhouses connecting greenhouses) shall not exceed \$7,500 and the cost of altering any one building during the fiscal year shall not exceed \$3,750 or two per centum of the cost of the building, whichever is greater: *Provided further*, That appropriations hereunder shall be available for uniforms, or

1 allowances therefor, as authorized by the Act of September 1,
2 1954 (68 Stat. 1114) :

3 Research: For research and demonstrations on the pro-
4 duction and utilization of agricultural products, and related
5 research and services, including administration of payments
6 to State Agricultural Experiment Stations; \$37,000,000:
7 *Provided*, That not less than \$200,000 of this appropriation
8 shall be available to conduct a special study of (1) the effect
9 on farm income and the general economy of the United
10 States of acreage reductions imposed on 1954 and 1955
11 crops, and (2) the most satisfactory solution to this prob-
12 lem, including the encouragement of sound soil conservation
13 practices upon land diverted from production under such
14 acreage restrictions.

15 Plant and animal disease and pest control: For opera-
16 tions and measures to control and eradicate pests and
17 plant and animal diseases and for carrying out assigned
18 inspection, quarantine and regulatory activities, as author-
19 ized by law; \$17,750,000, of which \$400,000 shall be
20 apportioned for use pursuant to section 3679 of the
21 Revised Statutes, as amended, for the control of out-
22 breaks of insects and plant diseases under the joint reso-
23 lution approved May 9, 1938 (7 U. S. C. 148-148e), and
24 the Act of August 13, 1954 (Public Law 586), to the extent
25 necessary to meet emergency conditions: *Provided further*,

1 That no part of this appropriation shall be used to pay the
2 cost or value of trees, farm animals, farm crops, or other
3 property injured or destroyed as a result of plant insect
4 and disease control activities except potatoes and tomatoes
5 as authorized under the Golden Nematode Act: *Provided*
6 *further*, That, in the discretion of the Secretary, no part of
7 this appropriation shall be expended for the control of sweet-
8 potato weevil in any State until such State has provided
9 cooperation necessary to accomplish this purpose, or for
10 barberry eradication until a sum or sums at least equal to
11 such expenditures shall have been made available by States,
12 counties, or local authorities, or by individuals or organiza-
13 tions for the accomplishment of this purpose, or with respect
14 to the golden nematode except as prescribed in section 4 of
15 the Golden Nematode Act.

16 Meat inspection: For carrying out the provisions of laws
17 relating to Federal inspection of meat and meat-food products
18 and the applicable provisions of the laws relating to process
19 or renovated butter; \$14,325,000.

20 PAYMENTS TO STATES, HAWAII, ALASKA, AND PUERTO RICO

21 For payments to the States, Hawaii, Alaska, and Puerto
22 Rico to be paid quarterly in advance where applicable, to
23 carry into effect the provisions of the following Acts relating
24 to agricultural experiment stations:

25 Hatch Act, the Act approved March 2, 1887 (7 U. S. C.

1 362, 363, 365, 368, 377-379), \$720,000; Adams Act, the
2 Act approved March 16, 1906 (7 U. S. C. 369), \$720,000;
3 Purnell Act, the Act approved February 24, 1925 (7
4 U. S. C. 361, 366, 370, 371, 373-376, 380, 382),
5 \$2,880,000; Bankhead-Jones Act, title I of the Act approved
6 June 29, 1935 (7 U. S. C. 427-427g), sections 3 and 5,
7 \$2,863,708, and sections 9 and 11 of said Act as added by
8 the Act of August 14, 1946 (7 U. S. C. 427h, 427j), includ-
9 ing administration by the Office of Experiment Stations in
10 the United States Department of Agriculture, \$16,800,-
11 000, no part of which latter amount shall be used
12 for beginning construction of any building costing in
13 excess of \$15,000; Hawaii, the Act approved May 16, 1928
14 (7 U. S. C. 386-386b), extending the benefits of certain
15 Acts of Congress to the Territory of Hawaii, \$90,000;
16 Alaska, the Act approved February 23, 1929 (7 U. S. C.
17 386c), extending the benefits of the Hatch Act to the Terri-
18 tory of Alaska, \$15,000, and the provisions of section 2 of the
19 Act approved June 20, 1936, as amended (7 U. S. C.
20 369a), extending the benefits of the Adams and Purnell Acts
21 to the Territory of Alaska, \$75,000; Puerto Rico, the Act
22 approved March 4, 1931, as amended (7 U. S. C. 386d-
23 386f), extending the benefits of certain Acts of Congress to
24 Puerto Rico, \$90,000; section 204 (b) of the Agricultural
25 Marketing Act, the Act approved August 14, 1946 (7

1 U. S. C. 1623), \$500,000; in all, payments to States,
2 Hawaii, Alaska, and Puerto Rico, \$24,753,708.

3 FOOT-AND-MOUTH AND OTHER CONTAGIOUS DISEASES OF
4 ANIMALS AND POULTRY

5 Eradication activities: For expenses necessary in the
6 arrest and eradication of foot-and-mouth disease, rinderpest,
7 contagious pleuro-pneumonia, or other contagious or infec-
8 tious diseases of animals, or European fowl pest and similar
9 diseases in poultry, including the payment of claims grow-
10 ing out of destruction of animals (including poultry) af-
11 fected by or exposed to, or of materials contaminated by or
12 exposed to, any such disease, when there has been compli-
13 ance with all lawful quarantine regulations, and for foot-and-
14 mouth disease and rinderpest programs undertaken pursuant
15 to the provisions of the Act of February 28, 1947, and the
16 Act of May 29, 1884, as amended (7 U. S. C. 391; 21
17 U. S. C. 111-122), including expenses in accordance with
18 section 2 of said Act of February 28, 1947, the Secretary
19 may transfer from other appropriations or funds available to
20 the bureaus, corporations, or agencies of the Department
21 such sums as he may deem necessary, but not to exceed
22 \$2,250,000 for eradication of vesicular exanthema of swine,
23 to be available only in an emergency which threatens
24 the livestock or poultry industry of the country, and any
25 unexpended balances of funds transferred under this head

1 in the next preceding fiscal year shall be merged with
 2 such transferred amounts: *Provided*, That, except for pay-
 3 ments made pursuant to said Act of February 28, 1947, the
 4 payment for animals may be made on appraisement based on
 5 the meat, egg-production, dairy, or breeding value, but in
 6 case of appraisement based on breeding value no appraise-
 7 ment of any animal shall exceed three times its meat, egg-
 8 production, or dairy value and, except in case of an extraor-
 9 dinary emergency to be determined by the Secretary, the
 10 payment by the United States shall not exceed one-half of
 11 any such appraisements: *Provided further*, That this appro-
 12 priation shall be subject to applicable provisions contained
 13 in the item "Salaries and expenses, Agricultural Research
 14 Service".

15 Research: For expenses necessary for research author-
 16 ized by the Act of April 24, 1948 (21 U. S. C. 113a).
 17 \$1,900,000.

18 EXTENSION SERVICE

19 PAYMENTS TO STATES, HAWAII, ALASKA, AND PUERTO RICO

20 For payments for cooperative agricultural extension work
 21 under the Smith-Lever Act, as amended by the Act of June
 22 26, 1953 (Public Law 83), \$44,155,000; and payments
 23 and contracts for such work under section 204 (b)-205 of
 24 the Agricultural Marketing Act of 1946 (7 U. S. C. 1623-
 25 1624), \$1,320,000; in all, \$45,475,000: *Provided*, That

1 funds hereby appropriated pursuant to section 3 (c)
2 of the Act of June 26, 1953 (Public Law 83) shall not
3 be paid to any State, Hawaii, Alaska, or Puerto Rico prior
4 to availability of an equal sum from non-Federal sources
5 for expenditure during the current fiscal year.

6 **FEDERAL EXTENSION SERVICE**

7 Administration and coordination: For administration of
8 the Smith-Lever Act, as amended by the Act of June 26,
9 1953 (Public Law 83), and extension aspects of the Agri-
10 cultural Marketing Act of 1946 (7 U. S. C. 1621-1627),
11 and to coordinate and provide program leadership for the
12 extension work of the Department and the several States,
13 Territories, and insular possessions, \$1,920,000.

14 Penalty mail: For costs of penalty mail for cooperative
15 extension agents, \$1,500,000.

16 **FARMER COOPERATIVE SERVICE**

17 For necessary expenses to carry out the Act of July 2,
18 1926 (7 U. S. C. 451-457), \$408,000.

19 **SOIL CONSERVATION SERVICE**

20 **CONSERVATION OPERATIONS**

21 For necessary expenses for carrying out the provisions
22 of the Act of April 27, 1935 (16 U. S. C. 590a-590f),
23 including preparation of conservation plans and establish-
24 ment of measures to conserve soil and water (including farm
25 irrigation and land drainage and such special measures

1 as may be necessary to prevent floods and the siltation
2 of reservoirs) ; operation of conservation nurseries; classi-
3 fication and mapping of soils; dissemination of informa-
4 tion; purchase and erection or alteration of permanent
5 buildings; operation and maintenance of aircraft; and
6 furnishing of subsistence to employees; \$58,612,579:
7 *Provided*, That the cost of any permanent building pur-
8 chased, erected, or as improved, exclusive of the cost of
9 constructing a water supply or sanitary system and connect-
10 ing the same to any such building and with the exception
11 of buildings acquired in conjunction with land being pur-
12 chased for other purposes, shall not exceed \$2,500, except
13 for eight buildings to be constructed or improved at a cost
14 not to exceed \$15,000 per building and except that altera-
15 tions or improvements to other existing permanent buildings
16 costing \$2,500 or more may be made in any fiscal year
17 in an amount not to exceed \$500 per building: *Provided*
18 *further*, That no part of this appropriation shall be avail-
19 able for the construction of any such building on land not
20 owned by the Government: *Provided further*, That in the
21 State of Missouri, where the State has established a central
22 State agency authorized to enter into agreements with the
23 United States or any of its agencies on policies and general
24 programs for the saving of its soil by the extension of Fed-

1 eral aid to any soil conservation district in such State, the
2 agreements made by or on behalf of the United States with
3 any such soil conservation district shall have the prior
4 approval of such central State agency before they shall
5 become effective as to such district: *Provided further*, That
6 no part of this appropriation may be expended for soil and
7 water conservation operations under the Act of April 27,
8 1935 (16 U. S. C. 590a–590f), in demonstration projects:
9 *Provided further*, That not to exceed \$5,000 may be used
10 for employment pursuant to the second sentence of section
11 706 (a) of the Organic Act of 1944 (5 U. S. C.
12 574), as amended by section 15 of the Act of August 2,
13 1946 (5 U. S. C. 55a): *Provided further*, That qualified
14 local engineers may be temporarily employed at per diem
15 rates to perform the technical planning work of the service.

16 WATERSHED PROTECTION

17 For expenses necessary to conduct surveys, investiga-
18 tions, and research and to carry out preventive measures,
19 including, but not limited to, engineering operations,
20 methods of cultivation, the growing of vegetation, and
21 changes in use of land, in accordance with the Watershed
22 Protection and Flood Prevention Act, approved August 4,
23 1954 (Public Law 566), and the provisions of the Act of
24 April 27, 1935 (16 U. S. C. 590a–590f), to remain
25 available until expended, \$12,000,000, with which shall be

1 merged the unexpended balances of funds heretofore appro-
2 priated or transferred to the Department for watershed pro-
3 tection purposes.

4 FLOOD PREVENTION

5 For expenses necessary, in accordance with the Flood
6 Control Act, approved June 22, 1936 (Public Law 738), as
7 amended and supplemented, and in accordance with the
8 provisions of laws relating to the activities of the Depart-
9 ment, to perform works of improvement, including not to
10 exceed \$100,000 for employment pursuant to the second
11 sentence of section 706 (a) of the Organic Act of
12 1944 (5 U. S. C., 574), as amended by section 15 of
13 the Act of August 2, 1946 (5 U. S. C. 55a), at rates
14 for individuals not to exceed \$100 per diem, to remain
15 available until expended, \$10,000,000, with which shall
16 be merged the unexpended balances of funds heretofore ap-
17 propriated or transferred to the Department for flood pre-
18 vention purposes: *Provided*, That no part of such funds shall
19 be used for the purchase of lands in the Yazoo and Little
20 Tallahatchie watersheds without specific approval of the
21 county board of supervisors of the county in which such lands
22 are situated: *Provided further*, That hereafter the funds
23 appropriated for flood prevention purposes may be expended
24 in watersheds heretofore authorized by section 13 of the
25 Flood Control Act of December 22, 1944, as amended, for

1 necessary measures for the prevention of erosion, floodwater,
2 and sediment damages, including gully control, floodwater
3 detention, and floodway structures, in areas other than those
4 over which the Department of the Army has jurisdiction
5 and responsibility.

6 AGRICULTURAL CONSERVATION PROGRAM SERVICE

7 For necessary expenses to carry into effect the provi-
8 sions of sections 7 to 17, inclusive, of the Soil Conservation
9 and Domestic Allotment Act, approved February 29, 1936,
10 as amended (16 U. S. C. 590g-590q), including not to
11 exceed \$6,000 for the preparation and display of exhibits,
12 including such displays at State, interstate, and international
13 fairs within the United States; \$214,500,000, to remain
14 available until December 31 of the next succeeding fiscal
15 year for compliance with the program of soil-building prac-
16 tices and soil- and water-conserving practices authorized
17 under this head in the Department of Agriculture and Farm
18 Credit Administration Appropriation Act 1955, carried
19 out during the period July 1, 1954, to December 31, 1955,
20 inclusive: *Provided*, That not to exceed \$22,500,000 of the
21 total sum provided under this head shall be available during
22 the current fiscal year for salaries and other administrative
23 expenses for carrying out such program, the cost of
24 aerial photographs, however, not to be charged to such
25 limitation; but not more than \$4,020,000 shall be trans-

ferred to the appropriation account, "Administrative expenses, section 392, Agricultural Adjustment Act of 1938":

Provided further, That payments to claimants hereunder may be made upon the certificate of the claimant, which certificate shall be in such form as the Secretary may prescribe, that he has carried out the conservation practice or practices and has complied with all other requirements as conditions for such payments and that the statements and information contained in the application for payment are correct and true, to the best of his knowledge and belief, under the penalties of title 18, United States Code: *Provided further*, That none of the funds herein appropriated or made available for the functions assigned to the Agricultural Adjustment Agency pursuant to the Executive Order Numbered 9069, of February 23, 1942, shall be used to pay the salaries or expenses of any regional information employees or any State information employees, but this shall not preclude the answering of inquiries or supplying of information at the county level to individual farmers: *Provided further*, That such amount shall be available for salaries and other administrative expenses in connection with the formulation and administration of the 1956 program of soil-building practices and soil- and water-conserving practices, under the Act of February 29, 1936, as amended (amounting to \$250,000,000, including

1 administration, and formulated on the basis of a distribution
2 of the funds available for payments and grants among the
3 several States in accordance with their conservation needs
4 as determined by the Secretary, except that the proportion
5 allocated to any State shall not be reduced more than 15
6 per centum from the distribution for the next preceding
7 program year, and no participant shall receive more than
8 \$1,500, except where the participants from two or more
9 farms or ranches join to carry out approved practices de-
10 signed to conserve or improve the agricultural resources of the
11 community); but the payments or grants under such pro-
12 grams shall be conditioned upon the utilization of land with
13 respect to which such payments or grants are to be made in
14 conformity with farming practices which will encourage and
15 provide for soil-building and soil- and water-conserving prac-
16 tices in the most practical and effective manner and adapted
17 to conditions in the several States, as determined and
18 approved by the State committees appointed pursuant to
19 section 8 (b) of the Soil Conservation and Domestic Al-
20 lotment Act, as amended (16 U. S. C. 590h (b)), for
21 the respective States: *Provided further*, That not to
22 exceed 5 per centum of the allocation for the 1956 agri-
23 cultural conservation program for any county may, on
24 the recommendation of such county committee and ap-
25 proval of the State committee, be withheld and allotted

1 to the Soil Conservation Service for services of its tech-
2 nicians in formulating and carrying out the agricultural
3 conservation program in the participating counties, and
4 the funds so allotted may be placed in a single account
5 for each State, and shall not be utilized by the Soil Con-
6 servation Service for any purpose other than technical
7 and other assistance in such counties: *Provided further,*
8 That for the 1956 program \$2,500,000 shall be avail-
9 able for technical assistance in formulating and carrying
10 out agricultural conservation practices and \$1,000,000
11 shall be available for conservation practices related
12 directly to flood-prevention work in approved water-
13 sheds: *Provided further,* That in carrying out the
14 1956 program the Secretary shall give particular consid-
15 eration to the conservation problems on farmlands di-
16 verted from crops under acreage-allotment programs:
17 *Provided further,* That such amounts shall be available
18 for the purchase of seeds, fertilizers, lime, trees, or any
19 other farming material, or any soil-terracing services, and
20 making grants thereof to agricultural producers to aid
21 them in carrying out farming practices approved by the
22 Secretary under programs provided for herein: *Provided*
23 *further,* That no part of any funds available to the De-
24 partment, or any bureau, office, corporation, or other
25 agency constituting a part of such Department, shall be

1 used in the current fiscal year for the payment of sal-
2 ary or travel expenses of any person who has been con-
3 victed of violating the Act entitled "An Act to prevent
4 pernicious political activities", approved August 2, 1939, as
5 amended, or who has been found in accordance with the
6 provisions of title 18, United States Code, section 1913, to
7 have violated or attempted to violate such section which
8 prohibits the use of Federal appropriations for the payment
9 of personal services or other expenses designed to influ-
10 ence in any manner a Member of Congress to favor or op-
11 pose any legislation or appropriation by Congress except
12 upon request of any Member or through the proper official
13 channels.

14 AGRICULTURAL MARKETING SERVICE

15 MARKETING RESEARCH AND SERVICE

16 For expenses necessary to carry on research and service
17 to improve and develop marketing and distribution relating
18 to agriculture as authorized by the Agricultural Marketing
19 Act of 1946 (7 U. S. C. 1621-1627) and other laws, in-
20 cluding the administration of marketing regulatory acts
21 connected therewith: *Provided*, That appropriations here-
22 under shall be available pursuant to U. S. C. 565a for the
23 construction, alteration, and repair of buildings and improve-
24 ments, but unless otherwise provided, the cost of erecting
25 any one building shall not exceed \$7,500 and the cost of

1 altering any one building during the fiscal year shall not
2 exceed \$3,750 or 2 per centum of the cost of the building,
3 whichever is greater:

4 Marketing research and agricultural estimates: For
5 research and development relating to agricultural marketing
6 and distribution, for analyses relating to farm prices, income
7 and population, and demand for farm products, and for crop
8 and livestock estimates; \$10,981,000: *Provided*, That not
9 less than \$1,000,000 of the funds contained in this appro-
10 priation shall be available to gather statistics and conduct a
11 special study on the price spread between the farmer and
12 the consumer: *Provided further*, That no part of the funds
13 herein appropriated shall be available for any expense inci-
14 dent to ascertaining, collating, or publishing a report stating
15 the intention of farmers as to the acreage to be planted in
16 cotton, or for estimates of apple production for other than
17 the commercial crop.

18 Marketing services: For services relating to agricul-
19 tural marketing and distribution, for carrying out regulatory
20 acts connected therewith, and for administration and
21 coordination of payments to States; \$11,810,000, in-
22 cluding not to exceed \$25,000 for employment at rates
23 not to exceed \$100 per diem, pursuant to the second
24 sentence of section 706 (a) of the Organic Act of

1 1944 (5 U. S. C. 574), as amended by section 15 of the
2 Act of August 2, 1946 (5 U. S. C. 55a), in carrying out
3 section 201 (a) to 201 (d), inclusive, of title II of the
4 Agricultural Adjustment Act of 1938 (7 U. S. C. 1291)
5 and section 203 (j) of the Agricultural Marketing Act of
6 1946.

7 PAYMENTS TO STATES, TERRITORIES, AND POSSESSIONS

8 For payments to departments of agriculture, bureaus
9 and departments of markets and similar agencies for market-
10 ing activities under section 204 (b) of the Agricultural
11 Marketing Act of 1946 (7 U. S. C. 1623 (b)), \$1,000,000.

12 SCHOOL LUNCH PROGRAM

13 For necessary expenses to carry out the provisions of the
14 National School Lunch Act (42 U. S. C. 1751-1760),
15 \$83,236,197: *Provided*, That no part of this appropriation
16 shall be used for nonfood assistance under section 5 of said
17 Act.

18 FOREIGN AGRICULTURAL SERVICE

19 For necessary expenses for the Foreign Agricultural
20 Service, including carrying out title VI of the Agricultural
21 Act of 1954 (Public Law 690, approved August 28,
22 1954), and for enabling the Secretary to coordinate and
23 integrate activities of the Department in connection with
24 foreign agricultural work, including not to exceed \$20,000
25 for representation allowances, \$3,365,000: *Provided*, That

1 not less than \$500,000 of the funds contained in this appro-
2 priation shall be available to obtain statistics and related
3 facts on foreign production and full and complete informa-
4 tion on methods used by other countries to move farm com-
5 modities in world trade on a competitive basis.

6 COMMODITY EXCHANGE AUTHORITY

7 For necessary expenses to carry into effect the pro-
8 visions of the Commodity Exchange Act, as amended (7
9 U. S. C. 1-17a), \$698,000.

10 COMMODITY STABILIZATION SERVICE

11 AGRICULTURAL ADJUSTMENT PROGRAMS

12 For necessary expenses to formulate and carry out acre-
13 age allotment and marketing quota programs pursuant to
14 provisions of title III of the Agricultural Adjustment Act of
15 1938, as amended (7 U. S. C. 1301-1393), \$39,000,000,
16 of which not more than \$5,500,000 shall be transferred to
17 the appropriation account "Administrative expenses, section
18 392, Agricultural Adjustment Act of 1938".

19 SUGAR ACT PROGRAM

20 For necessary expenses to carry into effect the provisions
21 of the Sugar Act of 1948 (7 U. S. C. 1101-1160),
22 \$59,600,000, to remain available until June 30 of the next
23 succeeding fiscal year: *Provided*, That expenditures (includ-
24 ing transfers) from this appropriation for other than payments
25 to sugar producers shall not exceed \$1,440,000.

1 FEDERAL CROP INSURANCE CORPORATION

2 For operating and administrative expenses, \$6,000,000.

3 RURAL ELECTRIFICATION ADMINISTRATION

4 To carry into effect the provisions of the Rural Electri-
5 fication Act of 1936, as amended (7 U. S. C. 901-924), as
6 follows:

7 LOAN AUTHORIZATIONS

8 For loans in accordance with said Act, and for carrying
9 out the provisions of section 7 thereof, to be borrowed from
10 the Secretary of the Treasury in accordance with the pro-
11 visions of section 3 (a) of said Act as follows: Rural elec-
12 trification program, \$160,000,000; and rural telephone
13 program, \$75,000,000; and additional amounts, not to
14 exceed \$100,000,000 for the rural electrification program,
15 may be borrowed under the same terms and conditions
16 to the extent that such additional amounts are required
17 during the fiscal year 1956, under the then existing con-
18 ditions, for the expeditious and orderly development of the
19 program.

20 SALARIES AND EXPENSES

21 For administrative expenses, including not to exceed
22 \$500 for financial and credit reports, and not to exceed
23 \$150,000 for employment pursuant to the second sentence
24 of section 706 (a) of the Organic Act of 1944 (5 U. S. C.

1 574), as amended by section 15 of the Act of August 2,
2 1946 (5 U. S. C. 55a), \$7,680,000.

3 FARMERS' HOME ADMINISTRATION

4 To carry into effect the provisions of titles I, II, and
5 the related provisions of title IV of the Bankhead-Jones
6 Farm Tenant Act, as amended (7 U. S. C. 1000-1031);
7 the Farmers' Home Administration Act of 1946 (7 U. S. C.
8 1001, note; 31 U. S. C. 82h; 12 U. S. C. 371; 35 D. C.
9 Code 535; 60 Stat. 1062-1080); the Act of July 30, 1946
10 (40 U. S. C. 436-439); the Act of August 28, 1937, as
11 amended (16 U. S. C. 590r-590x, 590z-5), for the develop-
12 ment of facilities for water storage and utilization in the
13 arid and semiarid areas of the United States; the provisions
14 of title V of the Housing Act of 1949 (42 U. S. C. 1471-
15 1483), as amended by the Housing Act of 1952 (Public
16 Law 531, approved July 14, 1952), relating to financial
17 assistance for farm housing; the Rural Rehabilitation Corpo-
18 ration Trust Liquidation Act, approved May 3, 1950 (40
19 U. S. C. 440-444); the items "Loans to farmers, 1948
20 flood damage" in the Act of June 25, 1948 (62 Stat.
21 1038), and "Loans to farmers, property damage" in the
22 Act of May 24, 1949 (63 Stat. 82); the collecting and
23 servicing of credit sales and development accounts in water

1 conservation and utilization projects (53 Stat. 685, 719),
2 as amended and supplemented (16 U. S. C. 590y, z1 and
3 z10) ; and the Act to direct the Secretary of Agriculture
4 to convey certain mineral interests, approved September 6,
5 1950 (7 U. S. C. 1033-1039) , as follows:

6 LOAN AUTHORIZATIONS

7 For loans (including payments in lieu of taxes and
8 taxes under section 50 of the Bankhead-Jones Farm Tenant
9 Act, as amended, and advances incident to the acquisition
10 and preservation of security of obligations under the fore-
11 going several authorities) : Title I and section 43 of title
12 IV of the Bankhead-Jones Farm Tenant Act, as amended,
13 \$19,000,000, of which not to exceed \$5,000,000 may be
14 distributed to States and Territories without regard to farm
15 population and prevalence of tenancy, in addition to the
16 amount otherwise distributed thereto, for loans in reclamation
17 projects and to entrymen on unpatented public land; title II
18 of the Bankhead-Jones Farm Tenant Act, as amended,
19 \$122,500,000; the Act of August 28, 1937, as amended,
20 \$11,500,000: *Provided*, That not to exceed the foregoing
21 several amounts shall be borrowed in one account from the
22 Secretary of the Treasury in accordance with the provisions
23 set forth under this head in the Department of Agriculture
24 Appropriation Act, 1952.

SALARIES AND EXPENSES

For making, servicing, and collecting loans and insured mortgages, the servicing and collecting of loans made under prior authority, the liquidation of assets transferred to Farmers' Home Administration, and other administrative expenses, \$24,500,000, together with a transfer of not to exceed \$400,000 of the fees and administrative expense charges made available by subsections (d) and (e) of section 12 of the Bankhead-Jones Farm Tenant Act, as amended.

OFFICE OF THE GENERAL COUNSEL

For necessary expenses, including payment of fees or dues for the use of law libraries by attorneys in the field service, \$2,079,000, together with such amounts from other appropriations or authorizations as are provided in the schedules in the budget for the current fiscal year for such expenses, which several amounts not exceeding a total of \$300,000 shall be transferred to and made a part of this appropriation.

OFFICE OF THE SECRETARY

For expenses of the Office of the Secretary of Agriculture, including the purchase of one passenger motor vehicle for replacement only; expenses of the National Agricultural Advisory Commission; stationery, supplies, materials, and equipment; freight, express, and drayage charges; advertising of bids, communication service, postage, washing

1 towels, repairs and alterations, and other miscellaneous sup-
2 plies and expenses not otherwise provided for and necessary
3 for the practical and efficient work of the Department of
4 Agriculture; \$2,116,000, together with such amounts from
5 other appropriations or authorizations as are provided in
6 the schedules in the budget for the current fiscal year for
7 such services and expenses, which several amounts or por-
8 tions thereof, as may be determined by the Secretary, not
9 exceeding a total of \$84,280, shall be transferred to and
10 made a part of this appropriation.

11 OFFICE OF INFORMATION

12 For necessary expenses of the Office of Information for
13 the dissemination of agricultural information and the coor-
14 dination of informational work and programs authorized
15 by Congress in the Department, \$1,238,000, together
16 with such amounts from other appropriations or au-
17 thorizations as are provided in the schedules in the budget
18 for the current fiscal year for such expenses, which several
19 amounts not exceeding a total of \$16,014 shall be transferred
20 to and made a part of this appropriation, of which total
21 appropriation not to exceed \$537,000 may be used for
22 farmers' bulletins, which shall be adapted to the interests of
23 the people of the different sections of the country, an equal
24 proportion of four-fifths of which shall be delivered to or sent
25 out under the addressed franks furnished by the Senators,

1 Representatives, and Delegates in Congress, as they shall
2 direct (7 U. S. C. 417) and not less than two hundred thirty
3 thousand eight hundred and fifty copies for the use of the
4 Senate and House of Representatives of part 2 of the annual
5 report of the Secretary (known as the Yearbook of Agriculture)
6 as authorized by section 73 of the Act of January 12,
7 1895 (44 U. S. C. 241) : *Provided*, That in the preparation
8 of motion pictures or exhibits by the Department, not exceeding
9 a total of \$10,000 may be used for employment
10 pursuant to the second sentence of section 706 (a) of the
11 Organic Act of 1944 (5 U. S. C. 574), as amended by
12 section 15 of the Act of August 2, 1946 (5 U. S. C. 55a) :
13 *Provided further*, That no part of this appropriation shall be
14 used for the establishment or maintenance of regional or State
15 field offices, or for the compensation of employees in such
16 offices.

17 LIBRARY

18 For necessary expenses, including dues for library membership
19 in societies or associations which issue publications
20 to members only or at a price to members lower than to subscribers
21 who are not members, \$659,950.

22 TITLE II—CORPORATIONS

23 The following corporations and agencies are hereby
24 authorized to make such expenditures, within the limits of
25 funds and borrowing authority available to each such cor-

1 poration or agency and in accord with law, and to make such
2 contracts and commitments without regard to fiscal year
3 limitations as provided by section 104 of the Government
4 Corporation Control Act, as amended, as may be necessary
5 in carrying out the programs set forth in the budget for the
6 fiscal year 1956 for such corporation or agency, except as
7 hereinafter provided:

8 Federal Crop Insurance Corporation: *Provided*, That the
9 direct costs of loss adjusters for crop inspections and loss
10 adjustments may be considered as nonadministrative or non-
11 operating expenses: *Provided further*, That not to exceed
12 \$1,500,000 of administrative and operating expenses may be
13 paid from premium income.

14 COMMODITY CREDIT CORPORATION

15 RESTORATION OF CAPITAL IMPAIRMENT

16 To restore the capital impairment of the Commodity
17 Credit Corporation determined by the appraisal of June
18 30, 1954, pursuant to section 1 of the Act of March 8, 1938,
19 as amended (15 U. S. C. 713a-1), \$1,634,659.

20 LIMITATION ON ADMINISTRATIVE EXPENSES

21 Nothing in this Act shall be so construed as to prevent
22 the Commodity Credit Corporation from carrying out any
23 activity or any program authorized by law: *Provided*, That

1 not to exceed \$26,000,000 shall be available for admin-
2 istrative expenses of the Corporation: *Provided further,*
3 That \$2,000,000 of this authorization shall be available only
4 to expand and strengthen the sales program of the Corpora-
5 tion pursuant to authority contained in the Corporation's
6 charter: *Provided further,* That all necessary expenses (in-
7 cluding legal and special services performed on a contract
8 or fee basis, but not including other personal services) in
9 connection with the acquisition, operation, maintenance, im-
10 provement, or disposition of any real or personal property
11 belonging to the Corporation or in which it has an interest,
12 including expenses of collections of pledged collateral, shall
13 be considered as nonadministrative expenses for the pur-
14 poses hereof.

15 TITLE III—SPECIAL ACTIVITIES

16 RESEARCH ON STRATEGIC AND CRITICAL AGRICULTURAL 17 MATERIALS

18 For expenses necessary to carry out section 7 (b) of
19 the Strategic and Critical Materials Stock Piling Act of
20 July 23, 1946 (50 U. S. C. 98f), \$300,000: *Provided,*
21 That this appropriation shall be subject to applicable pro-
22 visions contained in the item "Salaries and expenses, Agri-
23 cultural Research Service".

1 REPAYMENT TO COMMODITY CREDIT CORPORATION FOR
2 ERADICATION OF FOOT-AND-MOUTH AND OTHER CON-
3 TAGIOUS DISEASES OF ANIMALS AND POULTRY

4 For reimbursement to Commodity Credit Corporation
5 for sums transferred to the appropriation "Eradication of
6 foot-and-mouth and other contagious diseases of animals and
7 poultry", fiscal year 1954 (including interest thereon through
8 June 30, 1955), pursuant to authority contained under such
9 head in the Department of Agriculture Appropriation Act,
10 1954, \$5,788,897.

11 INTERNATIONAL WHEAT AGREEMENT

12 To discharge indebtedness of the Commodity Credit
13 Corporation to the Secretary of the Treasury for the net
14 costs during the fiscal year 1954 (including interest thereon
15 through June 30, 1955) under the International Wheat
16 Agreement Act of 1949, as amended (7 U. S. C. 1641-
17 1642), \$57,378,551.

18 REIMBURSEMENT TO COMMODITY CREDIT CORPORATION
19 FOR TRANSFER OF WHEAT TO PAKISTAN

20 To reimburse the Commodity Credit Corporation for
21 its investment (including costs of handling, delivery, and
22 interest through June 30, 1955) in wheat transferred to
23 the Government of Pakistan under the Act of June 25,
24 1953 (67 Stat. 80), \$69,273,881.

1 REIMBURSEMENT TO COMMODITY CREDIT CORPORATION

2 FOR EMERGENCY FEED ASSISTANCE

3 To reimburse the Commodity Credit Corporation for
4 losses representing the difference between the value of feed
5 furnished farmers and stockmen in disaster areas and sales
6 price received by the Corporation, \$42,100,000.

7 REIMBURSEMENT TO COMMODITY CREDIT CORPORATION

8 FOR EMERGENCY FAMINE RELIEF TO FRIENDLY
9 PEOPLES

10 To reimburse the Commodity Credit Corporation for
11 its investment (including costs of handling, delivery, and
12 interest through June 30, 1955) in commodities disposed
13 of under the Act of August 7, 1953 (67 Stat. 476),
14 \$9,676,628.

15 TITLE IV—FARM CREDIT ADMINISTRATION

16 Not to exceed \$2,320,000 (from assessments collected
17 from farm credit agencies) shall be obligated during the
18 current fiscal year for administrative expenses, including
19 \$3,500 for the purchase and installation of air-conditioning
20 equipment (40 U. S. C. 317).

21 Federal Farm Mortgage Corporation: Not to exceed
22 \$550,000 (to be computed on an accrual basis) of the
23 funds of the Corporation shall be available for admin-
24 istrative expenses, including employment on a contract or fee

1 basis of persons, firms, and corporations for the perform-
2 ance of special services, including legal services, and the use
3 of the services and facilities of Federal land banks,
4 national farm loan associations, Federal Reserve banks,
5 and agencies of the Government as authorized by the
6 Act of January 31, 1934 (12 U. S. C. 1020-1020h) ;
7 and said total sum shall be exclusive of services and facilities
8 furnished and examinations made by the Farm Credit Ad-
9 ministration, interest expense, and expenses in connection
10 with the acquisition, operation, maintenance, improve-
11 ment, protection, or disposition of real or personal prop-
12 erty belonging to the Corporation or in which it has an
13 interest: *Provided*, That promptly after June 30 of each
14 fiscal year all cash funds in excess of the estimated operating
15 requirements for the current fiscal year shall be declared
16 as dividends and paid into the general fund of the Treasury :
17 *Provided further*, That the aggregate amount of bonds the
18 Corporation may issue and have outstanding at any one time
19 shall not exceed \$500,000,000.

20 Federal intermediate credit banks: Not to exceed
21 \$1,825,000 (to be computed on an accrual basis) of the
22 funds of the banks shall be available for administrative
23 expenses and services performed for the banks by other
24 Government agencies (except services and facilities furnished

1 and examinations made by the Farm Credit Administra-
2 tion, and services performed by any Federal Reserve
3 bank and by the United States Treasury in connection with
4 the financial transactions of the banks) ; and said total sum
5 shall be exclusive of interest expense, legal and special serv-
6 ices performed on a contract or fee basis, and expenses in
7 connection with the acquisition, operation, maintenance, im-
8 provement, protection, or disposition of real or personal
9 property belonging to the banks or in which they have an
10 interest.

11 Production credit corporations: Not to exceed \$1,595,-
12 000 (to be computed on an accrual basis) of the funds of
13 the corporations shall be available for administrative ex-
14 penses, including the purchase of not to exceed six passenger
15 motor vehicles for replacement only, and services performed
16 for the corporations by other Government agencies (except
17 services and facilities furnished and examinations made
18 by the Farm Credit Administration) ; and said total sum
19 shall be exclusive of interest expense, legal and special
20 services performed on a contract or fee basis, and expenses
21 in connection with the acquisition, operation, maintenance,
22 improvement, protection, or disposition of real or personal
23 property belonging to the corporations or in which they
24 have an interest.

1 TITLE V—GENERAL PROVISIONS

2 SEC. 501. Within the unit limit of cost fixed by law, the
3 lump-sum appropriations and authorizations made for the
4 Department under this Act shall be available for the pur-
5 chase, in addition to those specifically provided for, of not
6 to exceed 535 passenger motor vehicles for replace-
7 ment only, and for the hire of such vehicles, necessary in the
8 conduct of the work of the Department outside the District
9 of Columbia.

10 SEC. 502. Provisions of law prohibiting or restricting
11 the employment of aliens shall not apply to (1) the tem-
12 porary employment of translators when competent citizen
13 translators are not available; (2) employment in cases of
14 emergency of persons in the field service of the Department
15 for periods of not more than sixty days; and (3) employ-
16 ment under the appropriation for the Foreign Agricultural
17 Service.

18 SEC. 503. Of appropriations herein made which are
19 available for the purchase of lands, not to exceed \$1 may be
20 expended for each option to purchase any particular tract or
21 tracts of land.

22 SEC. 504. No part of the funds appropriated by this Act
23 shall be used for the payment of any officer or employee of
24 the Department who, as such officer or employee, or on
25 behalf of the Department or any division, commission, or

1 bureau thereof, issues, or causes to be issued, any prediction,
2 oral or written, or forecast, except as to damage threatened
3 or caused by insects and pests, with respect to future prices
4 of cotton or the trend of same.

5 SEC. 505. Except to provide materials required in or
6 incident to research or experimental work where no suitable
7 domestic product is available, no part of the funds appro-
8 priated by this Act shall be expended in the purchase of
9 twine manufactured from commodities or materials produced
10 outside of the United States.

11 SEC. 506. Not less than \$1,500,000 of the appro-
12 priations of the Department for research and service
13 work authorized by the Act of August 14, 1946 (7
14 U. S. C. 427, 1621-1629), and the Act of July 28,
15 1954 (Public Law 545), shall be available for contract-
16 ing in accordance with said Acts.

17 SEC. 507. No part of any appropriation contained in
18 this Act, or of the funds available for expenditure by any
19 corporation included in this Act, shall be used to pay the
20 salary or wages of any person who engages in a strike
21 against the Government of the United States or who is a
22 member of an organization of Government employees that
23 asserts the right to strike against the Government of the
24 United States, or who advocates, or is a member of an or-
25 ganization that advocates, the overthrow of the Govern-

1 ment of the United States by force or violence: *Provided*,
2 That for the purposes hereof an affidavit shall be considered
3 prima facie evidence that the person making the affidavit
4 has not contrary to the provisions of this section engaged in
5 a strike against the Government of the United States, is
6 not a member of an organization of Government employees
7 that asserts the right to strike against the Government of
8 the United States, or that such person does not advocate,
9 and is not a member of an organization that advocates, the
10 overthrow of the Government of the United States by force
11 or violence: *Provided further*, That any person who engages
12 in a strike against the Government of the United States or
13 who is a member of an organization of Government em-
14 ployees that asserts the right to strike against the Govern-
15 ment of the United States, or who advocates, or who is a
16 member of an organization that advocates, the overthrow
17 of the Government of the United States by force or violence
18 and accepts employment the salary or wages for which are
19 paid from any appropriation or fund contained in this Act
20 shall be guilty of a felony and, upon conviction, shall be
21 fined not more than \$1,000 or imprisoned for not more than
22 one year, or both: *Provided further*, That the above penalty
23 clause shall be in addition to, and not in substitution for, any
24 other provisions of existing law: *Provided further*, That
25 nothing in this section shall be construed to require an affi-

1 davit from any person employed for less than sixty days for
2 sudden emergency work involving the loss of human life or
3 destruction of property, the payment of salary or wages may
4 be made to such persons from applicable appropriations for
5 services rendered in such emergency without execution of
6 the affidavit contemplated by this section.

7 SEC. 508. No part of any appropriation contained in
8 this Act or of the funds available for expenditure by any
9 corporation or agency included in this Act shall be used
10 for publicity or propaganda purposes to support or defeat
11 legislation pending before the Congress.

12 SEC. 509. Appropriations of the Department available
13 for research and service work authorized by the Act of
14 August 14, 1946 (7 U. S. C. 427; 7 U. S. C. 1621-1629)
15 shall be available for expenses of any advisory committee
16 established as provided in title III of said Act to assist in
17 effectuating the research and service work of the Department.

18 This Act may be cited as the "Department of Agri-
19 culture and Farm Credit Administration Appropriation Act,
20 1956".

Passed the House of Representatives March 28, 1955.

Attest:

RALPH R. ROBERTS,

Clerk.

AN ACT

Making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1956, and for other purposes.

MARCH 30 (legislative day, MARCH 10), 1955
Read twice and referred to the Committee on
Appropriations

Last, but not least, the foremost meteorologists agree that the prediction of climatic fluctuations in hurricanes is necessarily linked with solving the central problem—the general circulation of the atmosphere—of vital importance in exploring the menace of atomic fallout. The scientists say they are woefully lacking in charted data concerning the jet winds—these are the upper atmosphere winds traveling at the terrific velocity of 200 to 450 miles per hour; these are the “rawins” that carry atomic debris, and presently under study by atomic scientists and meteorological specialists.

SEIZURE OF AMERICAN FISHING VESSELS IN INTERNATIONAL WATERS

(Mr. PELLY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PELLY. Mr. Speaker, I received word this morning that the freezer ship *Arctic Maid* and the tuna clipper *Santa Ana* were seized yesterday 35 miles due west of Santa Clara Island off Ecuador by an Ecuador patrol gunboat. A message from the captain of another fishing vessel stated that an American crew member had been wounded in the leg by gunfire and was reported to have been refused immediate medical attention.

This is one more incident in a series of illegal acts on the high seas where certain South American countries have turned to nationalized piracy to raise revenue and extract tribute from our fishing industry. It brings to mind that a century and a half ago, during the infancy of our Republic, the Barbary pirates in the Mediterranean found it profitable to commit such depredatory acts on American vessels until we sent our Navy to terminate that system of nationalized ransom and roguery.

Today it seems to me we are in a situation where a polite exchange of protest notes between good-neighbor nations and other such procedures of procrastination should end. Either Ecuador and Peru should immediately reach an agreement with us or submit and abide by international arbitration. If not, our Navy in its historic role should be ordered to provide armed escorts to protect American property and persons engaged in peaceful occupations in international waters.

RELEASE OF POLISH UNDERGROUND LEADERS IMPRISONED IN MOSCOW

(Mr. SHEEHAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHEEHAN. Mr. Speaker, I have introduced a resolution relating to consideration by the United Nations of measures to effect the release of the Polish underground leaders imprisoned by the Soviet Government on March 27, 1945.

Mr. Speaker, 10 years ago yesterday, on March 27, 1945, the Russian Communist Government, after luring to Moscow

under false pretenses 16 leaders of the Polish underground, seized and subjected them to a mock trial in Moscow. The Russian Government had invited these Polish leaders to Moscow in furtherance of the provisions of the Yalta agreement dealing with the reorganization of the Polish Government, which agreement had been signed 6 weeks previous to this date.

I have written to our Secretary of State, the Honorable John Foster Dulles, asking that he broach to appropriate representatives of the Russian Government the possibility of releasing the present survivors of this mock trial, and I am introducing a resolution proposing that Congress petition the United Nations to take action on this matter.

Under the terms of the Yalta agreement, which also set up the United Nations, it was agreed that arrangements be made to conduct a free election in Poland, so that the Government thus formed would be representative of all political factions in Poland. On the pretext of implementing this section of the Yalta agreement concerning Poland, Russian Army representatives invited the various leaders of the Polish underground army to Moscow to confer on the creation of a postwar Polish Government. The Polish Government in exile, with headquarters in London, after consulting with officials of our Government and with the Government of Great Britain, recommended to these Polish patriots that they attend the conference so that the Polish regime would cooperate with the Russians in line with the Yalta agreement.

This committee consisted of Maj. Gen. Leopold Okulnicki, commander of the Polish Home Army; Jan Stanislaw Jankowski, member of the Christian Labor Party and Vice-Premier of the Polish Government in London; Adam Bien, member of the underground government; Peasant Party; Stanislaw Jasiukowicz, National Party, member of underground government; Kazimierz Puzak, leader of Socialist Party and speaker of underground parliament; Alexander Zwierzynski, National Party, deputy speaker; Kazimierz Baginski, Peasant Party, deputy speaker; Stanislaw Mierzwa, Peasant Party; Zbigniew Stypulkowski, leader of Democratic Party; Eugeniusz Czarnowski, leader of Democratic Party; Jozef Chacinski, leader of Christian Labor Party; Franciszek Urbanski, secretary of underground parliament, Christian Labor Party; Stanislaw Michalowski, Democratic Party; Kazimierz Kobylanski, National Party; Jozef Stemler Dabski, interpreter of Polish delegation; Antoni Pajdak, member of Socialist Party and underground parliament.

All 16 leaders went to Moscow, where they were immediately seized and imprisoned by the Soviet Communists, in spite of the fact that the entire delegation had been promised personal immunity during its stay in Moscow.

In the middle of June 1945, these Polish underground leaders were tried in Moscow, and 13 of them were sentenced to prison for terms varying from 4 months to 10 years. Some of these

officers have since been freed, but it is felt that Jan Stanislaw Jankowski, Antoni Pajdak, Stanislaw Jasiukowicz and General Okulnicki are still serving sentences in Soviet prisons.

Personally, I am of the opinion that the Yalta agreements should be renounced, as well as any other executive agreements which have not been properly presented to the United States Senate for ratification, if any such executive agreements contain treaty provisions. However, thus far our Government has taken no action to renounce such agreements, and inasmuch as that is the case, I believe that without our thereby giving tacit approval to the constitutionality of them, our Government can and should request the Russian Communist Government to abide by the terms of the Yalta agreements.

Insofar as the Russians guaranteed free and open elections in Poland, yet have never permitted same, and insofar as the Polish Underground leaders went to Moscow at the recommendation of our own Government, we certainly should make proper representations through our State Department to the Russian Government for the release of these Polish patriots.

I further believe that since the United Nations was also created by agreement at the Yalta Conference, the United Nations should make proper representations to the Russian Communist Government for the release of the Polish Underground leaders seized on March 27, 1945, and who may still be in prison.

As President Eisenhower alluded at his press conference the other day, there does not seem to be anything to be gained by sitting down with Russian Communist officials and making agreements when that Government has shown very little disposition to honor previous commitments.

Until such time as the Russian Communist Government decides to act in good faith by honoring previous commitments, and to keep its word with other governments, it would be foolhardy to continue making agreements with that government.

However, if the Russian Communist Government would now release these Polish leaders from prison, it would be making a step in the right direction and would show the world that it was ready to act as an honorable and upright power, with which other nations would again be willing to negotiate in the hope of attaining peace.

The resolution which I introduced today, asking the United Nations to take action, is as follows:

House concurrent resolution relating to the consideration by the United Nations of measures to effect the release of the Polish underground leaders imprisoned by the Soviet Government on March 27, 1945

Whereas on March 27, 1945, sixteen leaders of the Polish underground were arrested by the Soviet Government, which had lured them to Moscow under the pretext of discussing the establishment of a new Polish Government;

Whereas these Polish leaders were subsequently sentenced to prison, where some of them still remain;

Whereas the Yalta agreement provided for reorganization of the Polish Government on a broader democratic basis, to be followed by free elections in Poland;

Whereas the imprisoned Polish leaders went to Moscow in reliance on the action taken at Yalta and at the recommendation of the Government of the United States;

Whereas the provisions of the Yalta agreement relating to a free Poland have been frustrated by the tactics of the Soviet Government, while other terms of the Yalta agreement have resulted in the establishment of the United Nations: Now therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the President should take such action, through the United States delegation to the United Nations, as may be necessary to obtain prompt consideration by the United Nations of measures directed toward the release of those Polish leaders arrested by the Soviet Government on March 27, 1945, who are still in prison.

VETERANS' ADMINISTRATION ACTIVITIES IN CANCER RESEARCH

(Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am going to put in the RECORD a summary of what the Veterans' Administration is doing toward stopping the dread march of cancer. It is on the increase in spite of the medicines and treatments that have been introduced in an effort to cure cancer. In 1960 it is expected that the veteran population that will have cancer will be 54,000. At the present time in the Veterans' Administration hospitals there are some 25,000 being treated yearly. I should like to commend the Veterans' Administration for some very remarkable work on cancer and some very fine cures.

ADMINISTRATION'S ROAD-BUILDING PROPOSAL

(Mr. FASCELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FASCELL. Mr. Speaker, those of us who have recently been concerned with the problem of fiscal irresponsibility will be interested in learning of the testimony which was given today before a Senate Public Works Committee on the administration's road-building proposal, where the General Accounting Office said that the program was unsound, that it was of unquestioned illegality, that it went outside the public debt, that there was no way to finance this particular program; also that the Comptroller General of the United States very definitely was of the opinion that the whole program was objectionable and that there was no way by which we could legally earmark gas revenues for that purpose.

THE LATE HONORABLE JOHN W. DAVIS

(Mr. AUCHINCLOSS asked and was given permission to address the House

for 1 minute and to revise and extend his remarks.)

Mr. AUCHINCLOSS. Mr. Speaker, the passing of John W. Davis brings great sorrow to the many men and women who knew him. He was a sympathetic, kindly person who counted his friends in the thousands, coming from many different paths of life. He was sought out for advice and guidance in large business affairs, yet he was always ready to counsel those with small problems.

Unpretentious and unassuming, he was equipped with a penetrating mind, topped off with a superb intellect. He was scrupulously honest in his thinking which is why so many people trusted him and sought his friendship. He was a superior man with a gentle manner and was admired with a deep reverence by many.

The public is apt to think of Mr. Davis as a great constitutional lawyer, which he was, or as being once a candidate for the presidency, which he undertook from a sense of duty, but everyone admired his staunch Americanism. He served his country well as a Member of the House of Representatives in the 62d and 63d Congress from the First District of West Virginia and held positions of high trust while he was a Member. He was Solicitor General of the United States when Woodrow Wilson was President. He served as Ambassador to the Court of St. James and did much to promote mutual respect between Great Britain and our country. He campaigned on a statesmanlike level for the presidency and in his speeches he displayed his clear thinking and high standards. He was a Jeffersonian Democrat who believed thoroughly in the Constitution and was a staunch supporter of States' rights. He opposed power centralized in the Government in Washington and deplored the trend toward the dependence on Federal aid which was encouraged by some of our people.

He was a great American in every sense of the word, generous and kindly, unassuming and modest, and entirely without fear. Our country is better for his citizenship and we have every reason to be grateful for the priceless contribution he made toward the maintenance of our ideals and the preservation of our principles of personal freedom and justice.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATION BILL, 1956

Mr. WHITTEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5239) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1956, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate on the bill be limited to not to exceed 5 hours, one-half to be controlled by the gentleman from Minnesota [Mr. H. CARL ANDERSEN] and one-half by myself.

Mr. H. CARL ANDERSEN. That is agreeable to me.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

CALL OF THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 3]

Abbott	Donohue	Miller, Nebr.
Addonizio	Donovan	Miller, N. Y.
Anfuso	Doyle	Morgan
Barrett	Eberharter	Murray, Tenn.
Becker	Fallon	Nelson
Bell	Fino	O'Brien, N. Y.
Bolton	Fisher	O'Neill
Frances P. Bolton	Flynt	Osmer
Oliver P. Bolton	Gamble	Poage
Bosch	Garmatz	Powell
Brown, Ohio	Gordon	Prouty
Buckley	Granahan	Quigley
Burnside	Grant	Reece, Tenn.
Byrne, Pa.	Green, Pa.	Rogers, Tex.
Canfield	Hale	Sadlak
Chase	Hand	Scherer
Chipfield	Harris	Seely-Brown
Christopher	Harrison, Nebr.	Selden
Chudoff	Holtzman	Sheppard
Clark	Ikard	Smith, Wis.
Cooley	Jackson	Taylor
Corbett	Jarman	Thompson, La.
Coudert	Keogh	Vanik
Davidson	Klein	Velde
Dawson, Ill.	Kluczynski	Wainwright
Delaney	Latham	Williams, Miss.
Dingell	McCarthy	Williams, N. J.
Dixon	McConnell	Willis
Dodd	McDowell	Wilson, Ind.
Dollinger	Mahon	Wright
Dolliver	Miller, Calif.	Zelenko

The SPEAKER. On this rollcall 339 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATION BILL, 1956

The SPEAKER. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5239, with Mr. FORAND in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

(Mr. WHITTEN asked and was given permission to revise and extend his remarks.)

Mr. WHITTEN. Mr. Chairman, I yield myself 45 minutes.

Mr. Chairman, it has been my privilege to work with the Department of Agriculture appropriations for some 10 years. During that time I have tried to work in every way I knew how to improve the service of that Department and to contribute what I could to making

the farm programs work both in season and out of season, always with the interest of the Nation as a whole taken into consideration.

As most of you know, I served as chairman of this committee for 4 years, and for the last 2 years I have served under the chairmanship of my friend and colleague from Minnesota. I feel that all members of that committee without partisanship have made a determined effort through the years to help the Department, help the farmer, and help the Nation. I have been highly pleased this year to have several very good Members of Congress added to that committee. I will not take the time to refer to those who have been on the committee, because you know of their long and effective service, but we have been highly pleased this year to have put on our committee the gentleman from North Carolina [Mr. DEANE], and the gentleman from Kentucky [Mr. NATCHER], on the Democratic side, and the gentleman from Illinois [Mr. VURSELL] on the Republican side. They have brought to us a wealth of interest and information and lots of ability and energy and they have contributed a great share toward the work of this committee.

Our problems have been considerable for the last several years, and this year, if anything, were a little bit tougher. I have before me the special report which appeared in the U. S. News & World Report of March 25, 1955. The title of it is "Where Times Are Getting Harder." It states and I quote:

The farmers are still in a recession while other people prosper. Their plight recalls the twenties when agriculture slumped long before the big depression.

The article points out that the farm problem is worsening now, and that more trouble lies ahead. Then this U. S. News & World Report says that in 1946 the farm income was approximately 12 percent of the national income. In 1948 farm income had gone down to 11.6 percent of the national income. In 1951 farm income had gone down to 9.4 percent. In 1954 farm income has gone from 12 percent in 1946 to 7.2 percent.

Let me give you the source of that once again. That is the U. S. News & World Report.

Now, it is under those circumstances that we started our hearings, and our hearings disclosed several things that I did not like about the budget under these conditions. The Budget Bureau cut substantially the Soil Conservation Service. Not only did they not provide funds with which to service the new districts, but they cut out funds that we have at the present time.

The same Budget Bureau approved \$15 million on an emergency basis for soil work last year because of the terrific problems facing us in certain areas of the Midwest. Our committee in what I hope was its wisdom saw fit to say that it was much more sound to try to prevent these problems rather than to meet them on an emergency basis and less expensive as well.

We have restored in this bill the funds that the Bureau of the Budget would

take away from soil-conservation districts and we have provided funds to service the new districts. The Bureau of the Budget also cut out funds for plant and animal disease activities and pest control.

I spent the month of October in Europe trying to determine what the true situation was over there, for what it might be worth in trying to bring about some change in our policies over here. One of the major problems in foreign countries is that each little country has its tariff walls and its embargoes and its quarantines, and things of that sort. One of the best things in these United States of ours is the fact that commerce, by and large, flows between States without any problem. But if we do not in the United States through the Federal Government give some overall attention to inspection and quarantine, and things of that sort, then we find that one State which feels it is being hurt by what comes into it from another State, attempts to keep those things out; then the other State retaliates and the first thing we know we have 48 independent countries, so far as trade is concerned.

On that reasoning we have restored funds for these services that the Bureau of the Budget would take away from the Federal Government. We think the Federal Government must stay in that field. In connection with that we have called on them to get as much local contribution and cooperation as it is possible to get.

Then we come to flood prevention. One of the great problems we have in the country is the matter of floods. We have not seen fit to go along with reducing funds for flood prevention, but we have increased funds in this bill for watershed protection and flood prevention on the basis that it is a sound investment in the United States and that our general welfare will be determined by how well this country can support the people within it, our foreign programs and our military.

Then we come to the matter of the inspection of fresh fruits, vegetables, poultry, and eggs. I do not know how much correspondence Members have had in this connection. Perhaps mine came from the fact that I was chairman of this subcommittee. But my office has been flooded with requests that we restore the funds which the Bureau of the Budget cut out, to make the people pay for this inspection service. In the final analysis for any work that is done, somebody will have to pay for it; the American people will have to pay for it. But when you get into the field of perishable commodities; when you get to the point where an inspection is needed for the general public, you do not improve the system or increase the number of people who will get inspections by getting them to pay for something that the public interest requires. So we have restored those funds.

Now we come to the school lunch program. The school lunch program, I think, is one of the greatest things that this country is doing. For the last 8 or 10 years the United States of America has been financing throughout the world

programs to improve the living standards and the health of people in foreign lands.

Our Draft Act and the workings of it have disclosed that in the United States we had too many citizens whose physical condition was such as to disqualify them for the draft. That is just one place where our failure to have proper nutrition has shown itself up, through those tests. For the last 3 years the Bureau of the Budget has cut out funds for the school lunch programs. I believe I can safely say that I have had 3,000 letters since the 1st of January from every part of this country urging restoration of the cut in funds made by the Bureau of the Budget. There is not a city which has not been writing in pointing out the benefits that come from the school lunch program. Yet, for the third straight time the Bureau of the Budget has cut out \$15 million for that purpose. The argument last year and the year before was that they were cutting out only section 6 funds.

As you know, most of the commodities that are provided under the school-lunch program are bought when they are surplus through section 32 funds, but section 6 provides some money that is not carried down to surplus commodities and can be used to buy fruits and juices and things that perhaps are not in surplus so that the school children can have a well-balanced, nutritional meal. These funds make it possible to use more of the surplus commodities. So your committee has seen fit to restore \$15 million for the school-lunch program.

Another place where we have taken strong issue with the Department of Agriculture is along the line of the use of section 32 funds. As you will recall, section 32 of the AAA act provides that 30 percent of the import duties on things imported are set aside to promote new uses for and help us use surpluses. Those funds have been worth their weight in gold, literally, because surpluses on the market, however small they may be, tend to set the price for the whole supply.

Through the years we on the committee have insisted that the Department use section 32 funds to buy some of these commodities, not primarily for the school-lunch program but as in the situation last fall when producers were in trouble with poultry and eggs, or 2 years ago when we were in trouble with turkeys. By buying a relatively small amount of these commodities, supply and demand came into line, and the market was stabilized, and then the supply purchased went to the school-lunch program.

Last year the Department, to justify this reduction of \$15 million, said, "Next year"—that is, this year—"we will have more commodities available because we expect to expand the use of section 32 funds."

What are the facts? Notwithstanding the break in the poultry market and the egg market of last fall, the Department refused to act and we find that some \$27 to \$30 millions fewer commodities were made available for the school-lunch program during this year. So in

addition to restoring the funds, and you understand we cannot control the executive department, we have given them strong directions to make use of section 32 funds to strengthen these markets, and that the benefits of such purchases then go to the school-lunch program. There is every reason to believe that as they do that they will improve this situation.

There are 2 or 3 things in this report which are new but which I think are sound with reference to the Department of Agriculture and the solutions of the problems facing us. I give you my best judgment, because certainly it has always been my purpose to be factually correct and absolutely honest with this House.

The solutions for your present farm predicament—and believe you me, when the U. S. News & World Report says farm income has gone down from 12 percent of the national income in 1946 to 7.2 percent of the national income now, the situation is serious, and those figures are from a source where the administration cannot say it is politics—the solutions the Department offers. Which I have heard have been approximately four.

The first is more research and extension. We want to give them more opportunity, because I think this is serious, so we have gone along with the budget request of approximately \$5 million more for the Extension Service. This makes the second straight year we have made such increase. We have done that because we believe it is a good service, but not necessarily because I believe it would help the present farm problems of reduced acreage and lower prices if you had a county agent for every farmer. We have done it because we believe in the Service, not because it is a perfect answer to the present situation.

Then in the field of research we have gone along with the increase to the State experiment stations. We did that because we believe in it, but I would have to admit that there are some serious misgivings about the use of some of that money.

Our State experiment stations used some of the money you gave them last year for research to study the differences in clothing worn by country people and by city people in four counties in Kansas. They spent some of your money for methodology, which means the habits of the people in the rural areas, whom they know, where they go, how they spend their time, in what kinds of activities. They spent some of your money for the orchids of Guatemala. Yes, and they did not waste all of it in other sections of the country.

In the South we had one that is worthy of note; patterns of child rearing in southern families and their relation to the personality development of children. But the Department says such research will help cure the farm problem. So we have given them the money. They have their chance there. The other cure that has been offered is flexible supports. They have that in the present law. They have the flexible support laws now. The other suggestion is

that we use Public Law 480 and other means of getting rid of these commodities. We have had Public Law 480, and I do not condemn it, but unfortunately CCC officials try to give away commodities under Public Law 480 without first offering them for sale for dollars. Public Law 480 was passed by the Congress and it provides for the sale of commodities for foreign currency. Under the law, 90 percent of that foreign currency is not even subject to the control of Congress. Before you can virtually give away commodities under Public Law 480, you have to clear the matter with a supervisory committee on which the State Department and the Commerce Department are represented, and I do not condemn those departments but they do have different problems. But under Public Law 480 you virtually are giving these commodities away, and when you put them into these places where they will not affect the sale of other commodities, of course, every other country in the world gets on our State Department when we try to unload a lot of commodities under that law.

There are two things that we have done which I think are new. We have provided that \$1 million of research funds for the first time shall be given to the tabulation of statistics and research on what happens to farm commodities from the time they leave the farmers' hands until they get to the consumer. We have done that because heretofore virtually all of the research has been on the farmers' share of the consumer payment for these commodities. The record shows that since 1945 the farmer's share of the consumer dollar has gone down from 54 percent in 1945 until now the farmer gets only 43 percent. We believe in research and we believe in helping the farmer to lower his costs and we believe in helping him to avoid waste, but with 57 cents of the consumer dollar going elsewhere, we believe it is high time that we at least find out where the money is going so that we can see perhaps if we cannot get some improvement there. Our reasoning is as follows: There is no way for the Congress to make the people in Philadelphia get rid of their antiquated markets. By way of illustration, we find that with regard to some commodities leaving California, shipped to New York City, and when we find more cost being added from the Hudson River to the consumer, than all the rest of the cost, it is time that we had the facts tabulated so that the folks affected—the New York city consumers—can bring about whatever correction they want to. In this bill we set aside \$1 million to tabulate and find out where 57 percent of the consumers' dollar is going. It is apparent where some of this money is going. You can see it. Since 1945, we have had 13 freight rate increases. Behind those freight rate increases are various laws which require so much return on the investment after the railroads paid the costs of operation. We know where some of it is going. We do not hereby condemn it but we believe that the American people should have the facts and the Department should have the facts so that we can make a

start from that point to correct anything that needs correcting.

We have another thing which I think is original in this bill in regard to the foreign agricultural service. Of the money that the budget provides, we have set out \$500,000 to provide for a tabulation and for bringing down to date increases in production in foreign countries on the commodities which we support here plus a tabulation of the laws in those foreign countries to move their commodities in world trade on a competitive basis. Our hearings disclose you cannot make proper determinations of United States policy without knowing what the rest of the world is doing. We have learned cutting down United States production does not mean reduction in world production, but apparently it means only a shift to foreign lands of United States acres taken out, many times by United States financial interests.

The other action we have taken is tied in with what I would like to point out to you now.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Illinois.

Mr. SPRINGER. As the gentleman knows, last year I introduced one of the bills which resulted in 480. I do want to commend the subcommittee on adding this money for research. I think one of the principal things we have done wrong during the past 15 years is that we have spent billions to increase production and we have spent almost nothing on research, on how to get and keep and maintain markets. This is the only thing strengthening that I have noticed by any agency of Government, to try to work out the problem of distribution, which is the real problem we are facing.

The second point I want to mention is the question of research and what is being done in foreign countries. In November and December when the Interstate and Foreign Commerce Committee was in Africa we ran into the very thing you are talking about. In Ethiopia here were 18 experts from the Oklahoma A & M College teaching the Ethiopians how to grow corn. But actually at this time they are almost ready to export corn as a result of the technical instruction and education we have given them. The same was true in Turkey, which 10 years ago had to import corn. Now they are exporting corn.

This entire question of research is the most important thing that your committee could do to find out how we can get these foreign markets and keep them.

Mr. WHITTEN. I thank the gentleman, not only for his comments but for his service in pinpointing many of these problems. I know his views have borne fruit in many of the changes that I have observed. Research about markets is good but offering for sale and making the price truly competitive is what we need first.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Pennsylvania.

Mr. FULTON. I also wanted to point out that it is research that is so important. I agree with the gentleman that we people who have city districts as well as country districts should join in helping to get funds for more research. One of the things I think we should have is research on merchandising and consumption. When you get rigid high price supports you lay up surpluses, and what are you going to do with the surpluses? What is the gentleman's solution for the surplus question?

Mr. WHITTEN. We have laid up surpluses not by support prices but by not selling. Price supports may have caused the purchases but we still have such commodities because we would not offer sale with the price right.

Mr. GROSS. If the gentleman will yield, I think the gentleman from Pennsylvania should be corrected to this extent, that it does not follow that by having high, rigid support prices it tends to produce a surplus.

Mr. WHITTEN. That is the point I was coming to. I used to practice law, and when I did not have much of a case I would holler about something extraneous to the issue. So I am not too much disturbed about the Department saying the report which we filed in this case was political. I hope I have not built up that kind of a reputation here. My folks have been good to me. With what I hope is pardonable pride, I say I have not had a campaign since 1944, and I have not had to make a campaign speech in all my service in Congress. My people have not demanded political propaganda. I do not think that our report is political propaganda, but when a department of Government—the Department of Agriculture—says it is, it is evidence that they do not have the answer. The Secretary and the Department know they cannot explain giving away without offering for sale. They run a \$10-billion Corporation with \$7 billion invested, on which they pay storage. They would give away rather than sell.

Now let us see what the facts are in this report. I did quote from some of the speeches of the Department officials. Mr. Morse, Under Secretary of Agriculture, did say that the picture was not so gloomy. "Farmers have learned," he said, "that they can get jobs in the cities." That is his privilege. I do not know anybody in the Department whom I do not like and with whom I cannot agree about things social, but it is high time we agreed about what nice people they are but now we must look at how the Department is being run. That is what I am talking about. It is in that connection that I would like to point out to you we have a farm program which comes under attack from time to time in various circles.

To carry out the farm program we established the Commodity Credit Corporation, I was here and many of you were on the floor when it was created. That Corporation was established to act as a corporation, that is, in a business-like way. Under the charter it has authority to buy and to sell, to sue and be

sued, to move quickly and to handle its affairs like a business concern. We have provided the various support levels for farm products and as you know, I have differed with certain folks in the Department of Agriculture as to such levels and I do not condemn them for having their viewpoint, but our hearings disclose that in the Commodity Credit Corporation charter, and that is the Corporation that owns all these commodities, provision is made for the support of various farm commodities, and the price at which they can be offered in the United States is controlled by law. But in the Commodity Credit Corporation's charter it is provided that so far as selling in world trade is concerned they have the authority to sell at any price; in other words, the Congress in providing price supports recognized that you had to have some program for the farmer to compensate for the high cost of the things he has to buy, but the Congress recognized that while you might have to have that feature, if you wanted your commodities to move in world trade where many times the income and costs in foreign countries is not as high as ours, in countries like Spain where the average income per person is a dollar a day, or in Mexico, or many other countries, that if you wanted to sell our commodities you would have to make your price competitive. So the Commodity Credit Corporation charter provides for the sale in world trade at any price essential to move the commodity. It is with regard to that responsibility that the CCC has failed to properly discharge its responsibilities to the American people.

We have a \$10 billion corporation with \$7 billion invested which, by and large, is still trying to sell at the prevailing price. That means the CCC analyzes the world market price on these commodities and then offers ours right at that level. All any foreign country has to do is just sell under it and they get the markets and we get what is left. The Department has admitted that.

Since this issue has been raised—and I do not want anybody to think I am throwing off on the Department of Agriculture because it is under a different administration; I have made these fights since I have been in this House whoever was there—all you have to do is turn to the report where I quote from a statement by the Department of Agriculture where it says, and I quote:

The present season again finds the United States in the position of residual supplies of cotton to the world; that is, with demand for its exports limited until other exporters have largely sold out.

That is the Department of Agriculture announcement made last year until we went after them on the fact that they did not offer cotton last year for export.

While we have been holding our support price as the world price, so to speak, by and large, under that assurance of price—and I am merely using cotton by way of illustration, but the same thing applies to corn and these other commodities—the Anderson-Clayton Cotton Co. has gone into Brazil and Peru with the

assurance thus expressed by the CCC and put thousands and thousands of acres into cotton while our Government was cutting cotton acreage by practically 7 million acres in 2 years, under the Department's own report putting more than 55,000 families out of their homes this year alone and reducing 130,000 farm families to an income of less than \$900 a year.

That is not all; it is even worse when we find that the reduction in acres here is showing up in increased plantings in Mexico, Peru, north Africa, and various other countries of the world by United States financial interest taking advantage of the United States umbrella on prices not raised by Congress but by the Secretary of Agriculture who by his decision has made our domestic price the world offering price.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to my friend from Iowa.

Mr. JENSEN. How long has that situation been in existence? When did it start? When did we start putting an umbrella over the foreign countries so far as prices are concerned, and because of that they were able to put in many acres while we had to reduce acreage? I would like to pinpoint it.

Mr. WHITTEN. Well, the policy started, as I understand it, right after World War II on the argument that in addition to various other foreign aids, we should also hold our commodities back so as to let countries get reestablished. This policy has existed from that time and that time was under the Democrats. It has come down to date. Only lately have we learned that United States cuts in production have been merely transferred to foreign lands by United States financial interests.

Only in the last few years have foreign countries come to the point, as I found in Europe, where they are more than 150 percent recovered from prewar. Their general economic condition is 150 percent above that of prewar. Only in the last several years have tractors and farm equipment become available to your Hohnburgs and your Anderson-Claytons and your other two big cotton producers who have become international operators. It is only in the last few years that we began to see what this was doing to us, though the policy had continued for several years before that.

Mr. JENSEN. So the problem is to find a place and method by which we either bring that umbrella down or we put something in its place. Have we got to the point where there is nothing we can do about it? Has it gone on so long and we are so committed to hold the price up that we can do nothing about it?

Mr. WHITTEN. That is what I want to get to now. The way to bring the Department's umbrella down is to sell and protect our own farmers. I was told by the Department before I made this trip and the word "political" appeared in this report, that this was a part of our policy because of world

problems and because of the political ramifications of international affairs. That is what the Department told me.

I went to Europe and I found out several things I had not been aware of before. They do have dollars in these foreign countries. We simply are not getting them back for agricultural products. They spend now of the dollars they actually get about 18 percent of those dollars back with us for agricultural commodities because we will not make our price competitive. Prewar they spent 29 percent of their dollars for agricultural commodities. So they do have dollars.

I made a further check. I could not find anybody in the State Department who had said that they objected to us selling in world markets competitively, as is contemplated by our support laws and as is contemplated by the Commodity Credit Corporation charter. I came back here in January.

When the Commodity Credit Corporation appeared before us wanting \$7,200,000 more in administrative funds, I asked them to submit to us what commodities the Commodity Credit Corporation had that had not been offered in world trade on a competitive-bid basis. They listed \$3,792,000,000 worth of such commodities. They like to insist that when we offered our commodities for the prices that generally prevailed in the world that was competitive. Of course, it was not. You have country after country where they came just a few cents under ours and they got the market. According to CCC, \$3,792,000,000 worth of commodities have not been offered on a competitive-bid basis, which is the way to tell whether it is truly a competitive proposition. Last year we had urged the CCC to make such offerings. I went after them about that. We got them to offer some commodities in the world market on a truly competitive basis. Do you know what happened? They sold \$453 million of them for United States dollars, virtually all, by merely offering them in world trade on a truly competitive basis. Last year when we got them to offer them and when they made the offer truly competitive, we sold the commodities.

Now, in regard to these other commodities that the CCC authorities have not offered on a competitive-bid basis, if you will read the hearings, the distinct impression is left that the Department would not do it, though they admit they had the authority to sell them at any price competitively. They left it in the record that they were not doing it because of our State Department and our foreign policy. I did not believe that, so I went to the State Department, and advised them what the Department of Agriculture had indicated. Then we had Assistant Secretary Waugh before us. He said with the exception of butter—and there the State Department did protest because we never had an export market of butter, but were overruled—the State Department has not objected to selling commodities in world trade competitively. Then, after the Department of Agriculture speaking through the Secretary and its solicitor, admitted that they had the authority but left

the impression that the State Department would not let them do it, we called Mr. Waugh before us and he made that statement, and I let the Department of Agriculture know it. Then the Secretary of Agriculture said it was his determination not to sell these commodities in world trade on a competitive-bid basis. "The trade has advised against it," he said. In the record you will find he had 1 letter from the head of 1 cooperative. I put in numerous letters, numerous pleas by folks in the trade urging the Department to sell.

But, this is a farm program. If the Department is going to try to get an agreement within the trade, where one group of traders is long and the other short, where one group is interested in this and one in that, where one group has supplies on hand and another wants them, you cannot ever get any agreement like that. Mr. Lamar Fleming, of Anderson-Clayton, is a big man in the trade and the shippers association. He is a fine man, an outstanding man, but also an international businessman. Mr. Hohenberg of Memphis, Tenn., in the other body said that under this umbrella, 25 percent of their cotton production was overseas, in Mexico, and elsewhere. I am pointing out to you that their business interests are not just local in the United States. Now, if you read the report, you will see that while we have been cutting cotton back, according to the Department's own report, 55,000 farm families are without homes under an order of their Government, 130,000 with less than \$900 per year. That acreage is showing up in foreign countries, largely financed by American financial interests in Mexico and in Peru and in various other countries.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Missouri.

Mr. SHORT. I consider the gentleman from Mississippi one of the ablest men in this body, and he has been thoroughly consistent through all the years that he has been here. Now, what he has told us about cotton he has also frankly admitted can be said of other major commodities with support prices. Now, how long can we continue to allow American dealers to go into foreign countries, where they have cheaper wages and lower standards of living, to develop vast areas to produce the very commodities in direct competition with the American farmers?

Mr. WHITTEN. We cannot live with it. It is just as simple as that.

Mr. SHORT. I think that applies not only to agriculture but to manufacturing, practically everything we produce in this country, whether it is on the farm or in the factory, and that is the reason I find it so difficult to see so many Members of Congress still in favor of the so-called reciprocal trade agreement, which is more or less a one-way road instead of really being reciprocal.

Mr. WHITTEN. I would like to comment on the statement of my friend. What makes the reciprocal trade agreement even worse than anybody pointed out so far is it permits the Government to let foreign articles in while our own

Government will not allow our commodities out, even though authorized by law, by policies which will not offer our commodities competitively. Anybody knows that you cannot sell if you do not offer for sale and make your price equal the other fellow's.

The fact that it is international does not change the situation. If the other fellow has an equally good product, if you cannot meet the price, then you are not going to sell it.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman.

Mr. ARENDS. I should like to say I am asking this question in all sincerity. Because of the rapid development of agricultural production in various places throughout the world, to which the gentleman has referred, and because that can largely be attributed to the fact that we have given point 4 aid or technical assistance, or whatever it is called, have taught them how to raise farm products, are we in a position today where the gentleman is suggesting that we cease and desist further appropriations for advice and help under point 4, in raising agricultural products anywhere else in the world?

Mr. WHITTEN. The gentleman is getting me into a subject which I have not prepared as thoroughly as I have the subject I have been discussing; but I have definite ideas on it, although I confess I do not have as full information on that subject. If the help we give these people were for the purpose of raising local standards of living and of agricultural activity for home consumption, that is one thing. But if the purpose is to set up countries in Central America, for instance in the very commodities which we have in surplus in this country and take away the export market of the United States in those commodities, then that is unsound. But I should like to go one step further. The 2,600 deep wells that we dug in India so that they could grow more cotton have not done one-tenth of the damage that has been done by making our support price the world price, thereby holding a price umbrella. The assurance of price has done 10 times as much damage, in my opinion, as has the making available certain sums of money and certain know-how, certain technical assistance, in my judgment. If you give a man assurance of price, he does not have to have money, he does not have to have anything; he can raise the money.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. MASON. So far as the Clayton concerns raising cotton in South America is concerned, certainly they do not need any technical assistance from us, because they took it with them.

Mr. WHITTEN. That is correct. And then that comes back to us in this way. You do not have to worry so much about increasing production in foreign countries by foreign people when they are short in that production. It is when your American know-how and your American finances go into these low cost

areas under an assurance of price that we have difficulty.

It has been said that my report is political propaganda. I do not like that. I have tried not to live that way since I have been here.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. HALLECK. The gentleman said, I believe, that "I wrote the report" and the gentleman says now, "It is my report." Are we to understand from what the gentleman has said on two occasions in truth and in fact that this report is his personal report?

Mr. WHITTEN. I will put it this way. When I am attacked, I accept all responsibility and so far as making any denial in order to avoid any responsibility for it, I will say that I am directly responsible for it. I had the counsel and advice from various members of the committee and made the report available to them. It reflects the attitude and the opinions, in my judgment, of practically all the members of the committee. Insofar as the wording of the report is concerned, or insofar as any minority report is concerned, it speaks for itself. Insofar as the preparation of it is concerned, I helped to put it together and submitted it to the members of my committee in line with what we ordinarily do here. And it was made available to all members of the subcommittee on Thursday prior to its being printed.

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to my distinguished chairman.

Mr. CANNON. As the gentleman has said, this report was very carefully prepared and was made available to all members of the committee in advance.

When the committee voted on it, the vote was unanimous in favor of adopting this report as the report of the committee, a committee consisting of 50 members. It was unanimously approved. It is the report of no individual but the report of the entire Committee on Appropriations of the House.

Mr. HORAN. Mr. Chairman, will the gentleman yield to me on that point?

Mr. WHITTEN. I yield to the gentleman.

Mr. HORAN. I think the chairman of the full committee knows that I took reservations on the policies outlined in the full committee.

Mr. CANNON. But when the vote came in the committee on the adoption of the report, the report was unanimously adopted. There was not a single vote against it.

Mr. HORAN. I must insist that I took reservations.

Mr. WHITTEN. Each man is entitled to take his own position. There is no argument about that. This report reflects my views and, in my judgment, reflects substantially the views of the subcommittee, with certain exceptions about which I learned a day or so after it was printed. Those who have taken exceptions I have no quarrel with, and I have no quarrel about anybody making their position plain.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I will agree with whatever the gentleman wants to say. I have agreed that whenever the gentleman's time comes, whatever report he may wish to make will be proper.

Mr. VURSELL. I want to reply right now, if I may have half a minute.

We were invited to the committee. We got to the committee. The gentleman was explaining the bill when I got in, about 3 minutes late. Of course it was more interesting to hear him explain the bill than it was to begin to read the committee report, and that is the first time I had seen it. Consequently, I took it to the office with me, and an hour after the committee adjourned I started to read the report. I was a little surprised, as was my colleague from Washington [Mr. HORAN], because I had hardly expected the criticism in the report that I found.

Mr. WHITTEN. Let us not get into all that. I have not seen the minority report that the gentleman from Illinois and the gentleman from Washington [Mr. HORAN] wrote. I saw it for the first time yesterday. Those things happen. You are entitled to your view and I am entitled to mine. I am not trying to commit anybody to this. I honestly portrayed the problems as I saw it. I thought and believe now I was substantially following feelings of the members of the committee on it. There is not a difference in the committee on a single dollar in it.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Illinois.

Mr. SPRINGER. May I ask the gentleman this question, and this is only for information. In either October or November, it is my understanding, they sold about \$25 million or \$30 million worth of cotton to Spain. Is that correct?

Mr. WHITTEN. That is correct.

Mr. SPRINGER. Was that sold at the prevailing price or at a lower price?

Mr. WHITTEN. As I understand, that was sold at prevailing prices. Spain added 20 cents a pound after they bought it. The gentleman understands that because we hold our commodity, cotton, back, so that there is what might be called an immediate shortage, their prices have been considerably above the loan level because a part of the supply was held off the market by the CCC acting for United States of America. So we have had sales because there were not supplies elsewhere. In the last 3 or 4 weeks I have had at least 12 letters from traders in the cotton field, where they sent me letters from Liverpool and elsewhere where every country in the world was underselling our price. As a result, foreign countries, including Russia, are getting the market. So the immediate situation is somewhat different in cotton than with regard to something else.

May I pass on?

Mr. JENSEN. I wish the gentleman would yield to me.

Mr. WHITTEN. I am using too much time, but I cannot deny my friend.

Mr. JENSEN. The gentleman is very fine. He knows I have always held him

in the highest regard. I have heard him criticize the Department of Agriculture almost every year, and have thought he was completely justified in doing it. I never thought the gentleman was playing politics when he criticized his own party.

Mr. WHITTEN. I want to say I am not denying the attacks of the present Department on me because it disturbs me any.

* Mr. JENSEN. The thing I wanted to ask is, Is it not a fact that the Commodity Credit man by the name of William Lodwick from the great State of Iowa is now in charge of and is selling these commodities in different places in the world? I think he is doing a good job. I understand he just sold some wheat to Chile not long ago at a very good price. There are other sales he has made.

Mr. WHITTEN. I have known lots of good people from Iowa, including Mr. Lodwick, who is the head of the Foreign Agricultural Service and my colleague who is speaking.

Mr. JENSEN. Is it not a fact that they are disposing of considerable amounts of these surpluses at this time?

Mr. WHITTEN. Yes. That is what I want to point out.

Mr. JENSEN. All right.

Mr. WHITTEN. May I repeat that the law provides for certain support levels and provides for the level of sales domestically. That same law provides for sales in world markets competitively, by competitive bids, if it takes that to move them.

We have as a matter of Government policy for a number of years been failing to make our offering price competitive. We have made our support price the world price by offering it either at the prevailing world price or the support level, in effect. So it is a failure of selling it truly competitively that has caused it. The decisions were made by the Secretary according to his testimony. I want to show you who understands what the effect of such policy is. I quote from a speech which was delivered at Baker's Field, Calif., I believe last week by the Secretary of Agriculture:

And we may as well face the fact that we have an increase in competition in the world cotton market. * * *

Efficient use of excellent land in Central America, for example, has brought about a six-fold increase in cotton production during the past 5 years and a further rise in output can be expected. In the meantime our situation in the United States leaves us no alternative but to call on cotton farmers again to make substantial adjustments in acreage. The Department cannot favor any increase in the national cotton acreage allotment for 1955, under the current supply-and-demand situation.

And he goes on to say this:

But we may as well face the facts. We must realize that high rigid supports tend to price our cotton out of world markets. They tend to encourage foreign producers more and more to get under our convenient support umbrella.

He pointed out the additional increases in Central America. He says we cannot go along, or rather the Department cannot go along with increased acreage here. Then he says that our

umbrella over the world invites it. But what he did not say is the only price control in the law and in the Commodity Credit Corporation is domestic. It is the Secretary of the Department of Agriculture, and the Commodity Credit Corporation which made our support level of price the world level, and yet his own speech shows that he knows the effects of it. In this report I did point out that the Commodity Credit Corporation, a billion dollar corporation, with \$7 billion invested, is busy buying and buying and paying storage and paying storage and it is making the domestic sales price the world price by its own actions. When we analyze it, we will find you are not saving a dollar by lowered supports or flexible supports because you are paying out in storage whatever reduced investment you may have gotten, if you had sold it. Why we have cotton on hand that has 8 cents a pound storage charges against it. Do not tell me that it would not have been sound to take a 3-cent loss instead of an 8-cents-per-pound loss, on storage alone. Check the figures. More than half the loss of the Corporation last year consisted of interest, storage charges, and carrying charges on commodities that had never been offered in the world trade on a truly competitive basis.

Now I said that perhaps you could understand a corporation which thought it might follow that policy. If you look, the law provides for a board of directors and a president. The president is the Under Secretary of Agriculture, Mr. Morse. The board of directors are either Assistant Secretaries, Secretaries, or employees. They are all employees of the Department of Agriculture. It is hard for me to see how any able man can think a corporation can continue existing if it is always buying and raising the storage rates it pays, and paying them out, but never selling competitively. It is true that where there are some shortages in the world supply, in which case we move commodities at the present offering price. But it is only in those places where the supply, because we hold ours off, is tight enough for ours to move. So I cannot see any basis for continuing this shortsighted policy or for anybody in the Department wanting to build up this huge investment and these carrying charges and all these storage charges for the purpose of having their way on flexible supports because the administration now has flexible supports in the law. I cannot see that they would go that far in order to pay storage charges to warehousemen because goodness knows they are not entitled to add that cost to the extent of putting American farmers out of business.

But my friend used the word a while ago, the head of the Commodity Credit Corporation, in reporting to our committee on the stewardship of a \$7 billion corporation, referred to what they had bartered away and what they had given away and what they had granted, and what the disappearance was. Then he gave us an optimistic note that next year the disposition would be so and so. Is not that a queer way to report to the Congress on the stewardship of a \$7 bil-

lion corporation? Is not it odd? It certainly is. May I say that when the Department says, "What WHITTEN is recommending means selling for less than we have got in it" they overlook they are giving away our dollars of investment under 480, and by the way they are recommending the appropriation of more money for commodities they would give away. There is only one basis for the determination of many to give away instead of sell, only one. That is, they will get rid of it anyway as long as we do not shake this world umbrella in which Mr. Clayton and Mr. Hohenberger and other big operators are interested. The CCC will let you give millions of dollars worth of commodities away and just ask Congress for an appropriation. They will barter it. They will grant it. But they plead do not make them sell it competitively. Let us hold this umbrella, they say.

Mr. Chairman, the speech which the Secretary made in Bakersfield, Calif., recognizes what causes United States acreage to go overseas. He says it is price supports that are causing the umbrella. But it is the decision of the Department of Agriculture which said that support price was the world price.

The CHAIRMAN. The time of the gentleman from Mississippi has again expired.

Mr. WHITTEN. Mr. Chairman, I will yield myself 3 additional minutes and then I shall close.

I point this out at this time: When Mr. Brannan was Secretary of Agriculture I was chairman of this committee, and I had the Department investigated each and every year. It was our subcommittee, under a Democrat, that uncovered the large grain scandals, and got the information, and reported it to you and to the country. Nobody said that was politics. In this bill we report another

investigation of the same Department and now the Department says it is politics. But, Mr. Chairman, the investigation on which this report is based by the gentleman from New York [Mr. TABER], and the gentleman from Minnesota [Mr. H. CARL ANDERSEN]. It is they who selected the investigators. I do not believe they would be playing politics with their own Department of Agriculture. I think it is unfair for anyone to claim any such thing. I released in the hearings and in this report the findings of their investigators.

So much has been said about this report I wish to present it in detail to you now.

Our Committee on Appropriations has submitted the following explanation of the bill making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year 1956. The bill covers all estimates contained in the 1956 budget, pages 180 through 192, and 342 through 441.

Our bill includes direct annual appropriations for regular activities of \$694,107,434; loan authorizations for the Rural Electrification Administration and the Farmers' Home Administration of \$388 million; an administrative expense authorization for the Commodity Credit Corporation of \$26 million, together with an appropriation of \$1,634,659 for restoration of capital impairment; an appropriation of \$184,517,957 for special activities, most of which covers reimbursement to the Commodity Credit Corporation for funds advanced to finance programs authorized by Congress to meet special and emergency conditions; and administrative expenses limitations for the Farm Credit Administration of \$6,290,000.

The following summary sets forth the committee action with respect to the various items in the bill:

Item	Approved 1955	Estimates, 1956	Recom- mended 1956	Bill compared with—	
				1955 approved	1956 estimates
Regular activities.....	\$653,129,960	\$711,531,958	\$694,107,434	+\$40,977,474	-\$17,424,524
Loan authorizations.....	363,000,000	377,000,000	388,000,000	+25,000,000	+11,000,000
Commodity Credit Corporation:					
Restoration capital impairment.....		1,634,659	1,634,659	+1,634,659	-----
Administrative expenses.....	25,290,000	26,000,000	26,000,000	+710,000	-----
Special activities.....	331,500	184,517,957	184,517,957	184,186,457	-----
Farm Credit Administration.....	6,250,000	6,290,000	6,290,000	+40,000	-----

THE SITUATION FACING AMERICAN AGRICULTURE

In approaching the budget for the Department of Agriculture for the coming fiscal year, the committee has been aware of the many serious difficulties facing American agriculture at the present time. Within budget limits, the committee has attempted to provide sufficient funds for those agencies of the Department which can most help the farmer to continue to provide the Nation's food and fiber, which give us our high standard of living, and which can continue to encourage efforts to protect the Nation's soil and natural resources. The committee recognizes that, in the final analysis, the farmers' net income will determine whether he can continue on the farm and whether he can con-

tinue to spend money to protect the Nation's resources. It is these factors which cause the committee much concern under present conditions.

While salaries and wages generally have increased in recent years, and while the President is recommending a minimum wage of 90 cents per hour, the income of those Americans engaged in agriculture has been dropping steadily each year. The prices of farm products have declined about 7 percent in the past 2 years. They have dropped 22 percent since February 1951. The cost of farming continues to increase, with a 14-percent increase in prices paid by farmers during the past 5 years. The net farm income in 1954 was down nearly 20 percent from 1951.

As a result of this price-cost squeeze, the value of United States agricultural assets dropped from \$170.1 billion on January 1, 1952, to an estimated \$162.3 billion on January 1, 1955, a loss of \$7.8 billion, or 5 percent. During this period, the value of farm real estate dropped nearly \$4 billion or 4 percent, and the value of livestock declined \$8 billion, or more than 40 percent. Also, the farm-mortgage debt has nearly doubled since 1945.

While a majority of the committee is of the opinion that reduced supports do not meet the basic factors causing the present farm situation, the Secretary of Agriculture now has the flexible price support laws he has requested, and parity levels and formulas are being changed accordingly. The outlook is for still further declines in net farm income in 1955 due to the reduction in acreage of controlled crops and the low prices of nearly all farm products.

While the consumer is getting more and better food for his money than ever before in history, the share of the food dollar going to the agricultural producer is decreasing. Since 1945, the farmers' share of the consumer dollar has gone down from 54 percent to 43 percent. With constantly increasing costs of transportation, processing, and distribution, the prospects are that this trend will continue, unless strong efforts are made by Congress, the Commodity Credit Corporation, and the Department of Agriculture to halt it. Despite lower prices on the farm, consumer prices on most foods have increased or remained about the same, indicating that the decrease in the share of the consumer dollar going to the farmer is resulting in additional income to the processing and distribution system.

In certain parts of the country, particularly the South, the situation resulting from reductions in acreage allotments is deplorable. A special survey made recently by the Department at the request of the committee shows that, as a result of the Secretary's order curtailing cotton acreage, more than 55,000 farm families in the South have been put off their farms, with no homes and limited employment possibilities. This survey also indicates that some 130,000 farm families, with gross incomes of \$1,000 or less, will suffer further losses of \$100 or more this year. Similar situations exist with regard to other farm commodities in other sections.

The Secretary points out that, with fewer farmers, the gross farm income divided by the number of fewer farmers means the farm picture is brighter than many believe. The committee cannot subscribe to such reasoning.

FAILURE OF COMMODITY CREDIT CORPORATION TO MEET FULL RESPONSIBILITIES

Any analysis of the present situation confronting farmers must start with a thorough study of the Commodity Credit Corporation, the Government's arm established with a dual responsibility to, one, support farm prices within the terms of the law; and, two, protect the investment of the Nation's taxpayers, including the American farmers, through sales of commodities acquired.

The agency set up to handle the price support program was established as a corporation in order to give it more latitude to buy and sell, borrow and repay money, sue and be sued, etc. In other words, it was created on this basis so that it would operate on a business-like basis to carry out its responsibility of supporting farm prices and protecting the Government's investment through sales. It is this latter responsibility which has been largely overlooked by the Corporation and those dealing with the subject.

As to the Corporation's authority and obligation to sell, we need only look to its charter, which in section 5 (f) authorizes it to export or cause to be exported, or to aid in the development of foreign markets for agricultural commodities acquired under price-support programs or specifically procured for export purposes. The Charter Act contains no restrictions on the prices for which commodities may be sold by the Corporation for export purposes.

This Corporation has authority to invest up to \$10 billion to support farm commodities. At the present time, it has invested over 7 billions of dollars in such commodities. From this, it must be conceded that the Corporation has discharged its responsibility to support farm commodities as provided by law.

On the other side of the picture, however, there is a serious question whether the Corporation has met its obligation to protect its—the people's—investment.

Testimony before the committee indicates that, while the Corporation has the authority to sell its products in world markets at competitive prices, as of February 1955, nearly \$3.7 billion of such commodities have never been offered for sale abroad at competitive prices. And storage charges are rapidly increasing the Corporation's investment in these stocks.

There is reason to believe that such products could be sold in world markets through normal channels of trade, if an effort were made to do so on a competitive basis. During the past year, largely as a result of the urging of this committee, about \$500 million worth of such commodities were sold for dollars by merely offering them for sale on a competitive basis through United States export traders. Many countries of the world have dollars and are anxious to buy American products at competitive prices.

Under an erroneous decision, the president and board of directors of the Corporation have set up a policy of making the American support price substantially the offering price in world markets. As a result, the Corporation is placed in the position of a residual supplier. This is borne out by the following statement contained in a news release of the Department dated February 1954:

The present season again finds the United States in the position of residual supplier of cotton to the world, that is, with demand for its exports limited until other exporters have largely sold out.

While the price support law fixes the domestic price of Commodity Credit Corporation sales of basic commodities

at the support level plus handling and storage charges, there is nothing in the law applying this same formula to sales abroad. With full authority to sell competitively in world trade, the Corporation and the Secretary, according to his testimony, have set our domestic price as our price in world markets, with relatively minor exceptions. In connection with wheat sold under the International Wheat Agreement, which is an exception, our sales are made on a fixed price level, causing CCC to miss many sales.

The committee feels that a price support system is necessary to offset other United States costs and to enable the farmer to exist along with the other segments of our economy, most of which have protection by law in one form or another. It does not believe that losses on commodities taken over by the Commodity Credit Corporation, which have been greatly increased by failure to sell, should be used to discredit such a valuable part of the broad farm program of this country.

The Congress authorized sales in world trade at such price as it might take to move these commodities. Certainly the Congress never intended for the CCC to restrict United States production to the domestic market by keeping its commodities off world markets at competitive prices. Testimony before the committee indicates that nearly every country of the world makes special concessions where necessary to keep its products moving in world trade channels. Undoubtedly Congress intended that this country should compete in world markets. This is borne out by the fact that it provided specific authority in the Commodity Credit Corporation Charter for the Secretary to sell its commodities in world trade at whatever price he finds necessary to sell such commodities.

COMMODITY CREDIT CORPORATION OPERATING COSTS

Any decreased investment which might result from flexible or reduced support levels is being dissipated by failure to sell. Of the \$588.5 million loss incurred on CCC commodities disposed of in the fiscal year 1954, about \$224 million represents storage, warehousing and transportation costs, and \$102.9 million represents administrative, interest, and similar costs. Of this amount, \$197 million covers storage and related costs on those commodities which have never been offered for sale in world markets at competitive prices, even though the Department has the authority to so offer them. These commodities include wheat, corn, cotton, rice, tobacco, cheese, milk, wool, cottonseed meal, cotton linters, olive oil, seeds (hay and pasture), and soybeans, in which the United States has an investment of \$3.7 billion.

A large part of these storage costs would have been avoided had the Corporation used its authority to sell these stocks in world trade through normal channels. Losses on sales abroad could well have been less than storage costs resulting from the present policy of holding such commodities off world markets at competitive prices. For example, on some of the cotton now held, as much

as 8 cents per pound has been added to the Government's investment by storage costs alone.

In view of the large amounts of Federal commodities on hand, no further increases in storage rates should be authorized under any circumstances. Instead, the committee feels that storage costs should be brought down by at least 20 percent during the next fiscal year, by reducing stocks through sales. It also believes that the reduction of stocks of commodities and storage costs should continue at even a faster rate in the years ahead, until CCC holds only such supplies as are essential to security reserve for 1 year.

NEED FOR POSITIVE SALES PROGRAM

It would seem to the committee that the directors of any corporation should realize that a business cannot operate successfully if it does not sell what it purchases. This is particularly true where holding the stocks continues to add to the carrying charges due to accrued storage costs and constantly increasing administrative expense. And yet, that is what the Commodity Credit Corporation is doing.

The committee finds that this \$10 billion corporation, which now has over \$7 billion invested, does not have a sales manager or a sales organization. Actually, it does not even have a sales policy or program worthy of the name.

It has long been recognized by the Congress that, in order to protect the public interest, Government purchase contracts must go to the lowest bidder. In view of the soundness of that policy, the committee wonders why the CCC does not save Government money by selling to the highest bidder. Generally speaking, the Corporation does not do that either at home or abroad. Almost 100 percent of the commodity sales are offered at a fixed price. Usually, on this basis, CCC does not sell, thereby increasing storage costs and adding to the United States investment and eventual losses. Last year, when the committee got the Corporation to offer stocks competitively, the commodities were sold for dollars totaling \$500 million.

Certainly, the operating heads of this \$10 billion Corporation must realize that, with over \$7 billion invested, they cannot keep buying, and cannot keep adding to carrying charges because of higher storage rates, increasing commodity volume, and more administrative costs—and not sell for the best available price.

Yet the officials of this corporation will not sell competitively in world trade. It cannot be because they do not have authority, for the charter itself gives unlimited authority to sell on such a basis.

The charter of the Corporation provides for a president and board of directors. These officials are Ezra Taft Benson, Director, Secretary of Agriculture; True D. Morse, President, Under Secretary of Agriculture; James A. McConnell, Director, Assistant Secretary of Agriculture; Ervin L. Peterson, Director, Assistant Secretary of Agriculture; Earl L. Butz, Director, Assistant Secretary of Agriculture; O. V. Wells, Director, Administrator of AMS; R. L. Farrington, Director, Solicitor of Agriculture.

The President of the Corporation, in reporting to the committee on the commodity disposals for the last year, referred to how much the Corporation had bartered, how much it had granted, and how much it had given away. He then discussed how much the disappearance was, and in an optimistic note commented on what the current year's dispositions will be. On the basis of such testimony, the committee raised a question as to how long any private corporation could exist with such a policy of giving away assets, then merely charging off the losses.

Those facts make the picture clearer. There is much to indicate that, with the Department of Agriculture, a branch of the executive department, political and other considerations predominate to the point of preventing action. Proper actions by the Corporation are made subservient to a host of other considerations, many of which, in the opinion of a majority of the committee, are unsound. These actions of the Secretary of Agriculture and others about him are hard to understand unless CCC costs and losses are for use to support their determined efforts to change the price-support program.

From the Department's testimony, it appears that CCC policy is dependent upon obtaining agreement among the various segments of the trade as to time and terms of disposal. Yet within the trade there are many conflicting interests which cannot be reconciled so as to permit necessary actions protecting the interests of the Corporation. With general agreement under such circumstances virtually impossible, except on a give-away basis, CCC offerings in world trade are made at such a high-pegged-price level that other countries are enabled to offer their commodities just under United States prices and get the markets. Thus the United States holds an umbrella over world prices and invites United States capital to move its production to foreign lands.

The committee feels strongly that the officials of the Commodity Credit Corporation must accept their responsibility to properly handle the affairs of the Corporation so as to protect the Government's investment. The retention of any farm program will largely be determined by how well the business of the Corporation is handled.

A sales manager should be provided immediately by the Board of Directors. He should be made directly responsible to it, with a directive to set up a sales organization and a positive sales program under which commodities will be sold for the best price the Government can get and still move them before "storage costs" become too large.

If, to get this done, it is necessary to make the officers and employees of the Corporation independent of the Department of Agriculture, Congress should adopt legislation to accomplish this.

Sale of CCC commodities is essential to American agriculture, for those stocks not offered for sale on a competitive bid basis have two undesirable results—the reduction of productive goals and the lowering of price support levels. Already, cotton not offered in world trade

on a competitive bid basis has been used to reduce United States acreage by about 7 million acres in 2 years. As pointed out earlier, due to such restrictions imposed this year alone, more than 55,000 farm families are without homes and more than 130,000 farm families have had their gross annual income of \$1,000 or less reduced to around \$900. And it must be realized that this is not the result of price supports but is because CCC will not sell the commodities acquired.

INCREASES IN FOREIGN PRODUCTION

It is imperative that these policies be changed immediately, since foreign acreage is increased as United States acreage is reduced. Figures from the Department indicate that reductions in United States production have not cut world production, but have transferred our acreage to foreign lands instead.

Since 1949, foreign production of cotton has increased 49 percent, while United States production has decreased 16 percent. Since 1952, production of cotton has increased about 43 percent in Europe, 6 percent in Asia, and 11 percent in South America. Indications are that further increases are expected in these areas of the world next year. During this same period, cotton acreage in the United States has been reduced about 35 percent.

With this loss of income to the economy of the United States, it is distressing to note that much of the increased production in other countries has been supported by American capital and know-how. The assurance of a United States umbrella over world prices has enabled these concerns to develop profitable operations in countries where labor and other costs of production are much below ours.

ECONOMIC LOSS TO NATION

It is difficult to evaluate the effect of these matters on the Nation's economy. Department of Agriculture estimates indicate that the direct loss to the farmers, resulting from acreage reductions in 1954, could run as high as \$1.2 billion. There is considerable evidence to indicate that each dollar produced on the farm adds \$7 to the income of the rest of the people of the country. On this basis, the loss to the Nation's economy due to curtailed agricultural production this year could be as much as \$8½ billion.

Some evidence of the Department's realization of the effect on our general economy of holding commodities off world markets with resulting acreage reductions is contained in a speech delivered by Under Secretary Morse, who doubles as President of CCC, in North Carolina last June. On page 6 of his speech he states:

To the extent farm production is needlessly cut back and restricted in order to maintain abnormal prices—farmers tend to destroy or weaken the consumer demand and national prosperity on which their own prosperity depends. Under present laws, the huge pileup of surplus farm products may force cuts in acreage allotments for the next year of more than 30 million acres. It will reduce employment all the way from laborers in the cotton and wheat fields on back into the towns and cities that make and sell farm machinery, fertilizer, chemicals, gas and oil,

and all the other supplies and services that are required to keep farms in full production. North Carolina industries will feel the effects of any extended slowing down or reduction in agricultural production.

Further evidence of our national loss, due to current policies of not selling these farm commodities, is found in a recent statement released by CARE, which reads as follows:

According to the national advisory committee for CARE, composed of such men as Henry A. Bullis, General Mills' chairman of the Board; Roy C. Ingersoll, president of Borg-Warner; Ward Melville, Melville Shoe Corp.; H. J. Heinz, and others equally successful, such policy costs the United States \$700,000 a day for storage, deprives American railroads of transportation equal to 100 transcontinental freight trains each day for a year, deprives American shipping of the equivalent of the dispatch of 10 oceangoing freighters every day for a year, not to mention the loss of labor and the effect on agriculture itself, being cut back now to absorb surplus commodities.

Despite its realization of these conditions, the Department has failed to sell these commodities, even though it has authority to sell.

INADEQUACY OF DEPARTMENT'S REMEDY

Hope for a solution to the many problems of agriculture is offered by the Department in the form of more research and education. The committee agrees that these are valuable programs, which offer help to the farmer on a long-range basis. It feels, however, that other more immediate solutions must be found if the farmer is to be carried through the present crisis of falling farm prices, rising farm costs, and reduced production. It is extremely doubtful that a research worker or an extension agent can help a farmer make a living on 3 to 5 acres of commercial crops under present conditions.

The Department offers further hope to the farmer in the form of off-farm employment. The Department's position on this is contained in a speech recently delivered by Under Secretary Morse at Lexington, Ky., in which he stated:

Perhaps one reason for this sound management of finances by farmers is the increasing extent to which farmers and their families are taking advantage of off-farm employment.

While it may be that some off-farm income is necessary under present conditions to enable the farmer and his family to exist, the committee believes that the policies of the Department should be such as to make farming a satisfactory means of livelihood for those who have spent their life in that occupation. It cannot subscribe to policies which depress United States farm income and encourage the expansion of foreign production at the expense of United States production.

In this connection, the committee's report on the hearings held in January on Commodity Credit Corporation operations is quoted, as follows:

In the opinion of a majority of the members of the committee, actions of the Department to reduce price supports, change parity formulas, and reduce acreage allotments will not cure the problem of the increasing com-

modity holdings of the corporation. They believe that this difficulty is due to the failure of the corporation to discharge its responsibility under its charter to sell its commodities competitively in world markets. Testimony before the committee shows that none of the large stocks of cotton, cheese, corn, rice, seeds, naval stores, tobacco and wool have been or are being offered for sale on a competitive basis, despite basic authority in law to do so.

The program from moving commodities under Public Law 430, for which much is claimed, actually is a means of giving commodities away in preference to attempting to sell them through normal trade channels. It involves prior clearance from a committee composed primarily of representatives of nonagricultural interests, (Commerce, State and other Departments) which is a serious hurdle in getting agricultural commodities exported. Also, under the law, the major portion of the local currencies received for commodities shipped abroad will be used for foreign aid purposes in the countries from which received.

The majority of the committee feels that steps should be taken as early as practicable to begin the movement of these commodities into world markets on a competitive bid basis through American exporters. The committee also feels that an immediate announcement of such change in policy should be made to discourage further increase in foreign production to the detriment of American farmers.

Such an action will eventually make possible reductions in administrative costs of the corporation. It should also help to correct the present practice of making competitors out of former customers and should benefit foreign consumers who have a real need for products surplus to United States domestic needs. Further and most important, it will enable the American farmer to compete with foreign producers and make additional acreage available to relieve undue hardships existing in many areas of the country under present orders.

The committee fully recognizes that CCC stocks have been held so long and have built up to such quantities that we must move them back into world markets gradually. Statements by the Department to the effect that offering to sell on a competitive bid basis might drive world prices down drastically, could easily be met by providing in the Department's initial announcement that bids below a certain level would not be accepted. By this means full control would be retained by the Corporation.

NEED FOR ACTION PROGRAMS

As was the case a year ago, the committee again had presented to it a budget sharply curtailing certain of the action programs of the Department. Reductions proposed for 1956 include the following:

Plant and animal disease and pest control.....	\$435, 579
Soil Conservation Service operations.....	1, 872, 379
Flood prevention.....	495, 292
Inspection of fresh fruits, vegetables, poultry, and eggs.....	320, 000
School-lunch program.....	15, 236, 197
Total.....	18, 359, 447

The committee has again restored the proposed reductions in these programs. It feels that sharp curtailments in the action programs, which were established to put the results of research and education to work on the farms of the coun-

try, would be a serious mistake in view of the difficulties facing agriculture at this time and the possibility of further reductions in farm income next year. Further, it is impressed with the fact that these programs relate directly to our three greatest assets—children, soil and water—and expansion rather than retraction can be readily justified.

The proposal of the Department to eliminate funds for the purchase and distribution of commodities under section 6 of the School Lunch Act is based on the assumption that a sufficient quantity of surplus foods will be available under section 32 funds to meet the need. This same proposal was offered in support of a similar budget cut a year ago. Actual performance so far this year shows that the Department reduced substantially its food purchases and, in many areas of the country, the amount of food distributed to schools from section 32 funds has decreased rather than increased as indicated. The committee can see nothing to indicate a substantial change in this situation during the coming year. Further, the type of commodities available through section 32 are generally not the same as those purchased under section 6. In order to meet nutritional requirements and provide a balanced diet, section 6 funds are important, particularly with respect to fresh fruits and vegetables.

The committee deplores the Department's failure in recent years to use section 32 to support markets temporarily in distress. Not only has this resulted in substantial economic loss to the Nation, but it has also amounted to further curtailment of the school lunch program. The Secretary is urged to use this fund, as intended by Congress, to strengthen chaotic markets and to supplement commodities available to the school lunch program from this source.

The committee is recommending sufficient funds for the Soil Conservation Service to restore the proposed reduction and to provide a modest increase for technical service to the 58 new soil conservation districts to be established next year. The committee cannot ignore the past loss of 40 percent of our cropland and the present damage that is occurring every day. Neither can it overlook the difficult problems facing many areas of the Country due to prolonged drought and resulting dust storms. It is noted that the Budget Bureau, which reduced the regular funds for this purpose, approved \$15 million last year for emergency conservation measures in drought areas. The committee believes it more sound to prevent or to attempt to prevent such situations from arising, than to meet them after the damage has been done.

In the opinion of the committee, work on the 11 approved watersheds under flood prevention is falling far behind a satisfactory and economical rate of progress. Further, it is apparent that expansion of this type of conservation effort to other areas of the country through the watershed protection appropriation is not proceeding rapidly enough to meet the real need and demand for such work. Testimony indicates that, at the present

rate of progress, it will take many years to complete the projects authorized in 1936. And it is impossible to estimate how long it will take to meet even a small portion of the need in other areas of the country for similar watershed projects, on the basis of present appropriations. Accordingly, the bill provides sufficient funds to restore the reduction in Flood Prevention funds and to increase by a nominal amount the work on this and the Watershed Protection program.

Proposed reductions in the insect and animal disease control programs and the inspection and grading of fresh fruits, vegetables, poultry and eggs have also been restored. The committee is convinced that the benefits to the Nation from free and unhampered movement of products in interstate commerce are such as to warrant continued participation by the Federal Government in the insect and animal disease control programs. It believes that firm plans must be worked out to assure adequate financing and uniform quarantine regulations among the States, before the Federal Government can withdraw further from this activity. With respect to the inspection programs, the committee members have agreed that no budget reductions are advisable until a complete review of the policy relative to all inspection activities have been considered by the Department of Agriculture and the Congress.

Agricultural Research Service

Appropriations, 1955-----	\$89, 690, 287
Estimates, 1956-----	95, 916, 708
Recommended, 1956-----	95, 728, 708
Comparison:	
1955 appropriations-----	+ 6, 038, 421
1956 estimates-----	- 188, 000

The Agricultural Research Service conducts all of the production and utilization research of the Department (except forestry research), and the inspection, disease, and pest control, and eradication work associated with this research. The Administrator of this Service is responsible for the coordination of all research in the Department.

Research: The committee recommends a total of \$37 million for 1956, an increase of \$1,178,000 over appropriations for 1955 and a reduction from the budget of \$684,000. The increase recommended will provide additional funds for nearly every phase of research activity conducted under this appropriation, and is in addition to the nearly \$2,900,000 increase provided for these same purposes last year.

As pointed out earlier in this report, one of the principal solutions offered by the Department for the many problems presently facing the farmer is additional research. The committee recognizes the value of research to agricultural progress in the United States and has approved the large increase set forth above. The reduction in the budget has been made in view of evidence that some of the funds under this heading are being used on research of doubtful value. Reports from committee investigators and testimony developed during the hearings indicate that research funds provided last year have been used for such projects as "Flora of Dominica," and "orchids of Guatemala." Evidence

also indicates that funds are being used to finance research projects adopted primarily for the benefit of the personnel engaged in such research. The committee doubts that Congress is aware that funds are being spent on such projects as "rural sociology," "family utilization of clothing in Minnesota," and "the difference in clothing worn by city and farm families in Kansas." Accordingly, it does not feel justified in recommending to Congress the full budget estimate provided in the 1956 budget.

Of the funds provided, the sum of \$200,000 has been earmarked for special research on the effect of acreage reductions on the local and national economy. It is hoped that such a study will enable the Department and the Congress to determine policies and solutions for, first, the economic problems created by falling farm income and production on individual farms, and second, the proper use of diverted acres resulting from acreage reductions.

The committee believes that the large increase for 1956 will provide sufficient funds to enable the Department to give more attention to the problems of the bee-keeping industry. The importance of bees to proper pollination of crops is well recognized, and it would seem that work on this subject would be an important phase of any research intended to improve crop production.

The committee also feels that a portion of the increases allowed should be used to expand research on the farm as a productive economic unit. Research of this type is essential to future programs designed to make farming a profitable occupation.

Several individual projects of a major nature such as a new research laboratory at Winterhaven, Fla., and a national seed-storage facility, have been proposed by interested members for inclusion in the appropriation bill for 1956. Neither of these proposals were included in the budget by the Department or the Bureau of the Budget. The committee recognizes the fine research work that has been done in Florida, and realizes the need for more adequate research facilities in many areas of the country. It feels that insufficient attention has been given to a nationwide building program and urges the Department to make a special study of this matter in the coming year, taking into account priority of need throughout the country and the extent to which local financial support is available. The committee does not feel justified in initiating individual projects of a major nature in the absence of such an overall study.

The recent action deemphasizing home economics research should also be given further consideration by the Department. Testimony from persons engaged in home demonstration work with farm families indicates that some part of the funds provided this bureau should be used on such projects as "household food consumption" and "family budgets and expenditures," within funds provided in the appropriation for 1956. According to information presented to the committee, six of the bulletins most frequently used by home-makers of the country are

on these subjects. The units of the Department engaged in such research appear to be the chief source of bulletins and other material of this type.

Plant and animal disease and pest control: A total of \$17,750,000 is recommended for 1956. This is an increase of \$496,000 above the budget estimates, and a decrease of \$439,579 below current funds—including a supplemental of \$500,000 to meet a grasshopper emergency in the West. The committee has restored funds for these control programs in order to give the Department sufficient latitude to work out arrangements with the States as to adequate financial support and uniform quarantine regulations for those programs where further Federal withdrawal appears warranted. The committee recognizes that some Federal participation in these programs will always be necessary to assure free and unhampered interstate shipment of agricultural products.

Language has been included in the bill to permit furnishing of uniforms, as authorized in the fringe-benefits bill adopted last year, to plant quarantine inspectors who are required to wear uniforms as a means of identification.

The funds approved for next year should be sufficient to provide full supervision and inspection for products used in hog cholera control. This disease is still a serious problem in many areas of the country and adequate inspection of these products is essential to the protection of this important segment of agriculture.

Meat inspection: The committee recommends the full budget estimate of \$14,325,000 for this program for 1956. This will permit continuation of the program at the same level as authorized for 1955.

Payments to States, Hawaii, Alaska, and Puerto Rico: The full budget estimate of \$24,753,708 is recommended for grants to the State experiment stations for 1956. This is an increase of \$5,300,000 over the appropriations authorized for 1955. An increase of nearly \$6 million was provided last year for this purpose.

Since research is offered by the Department as one of the principal cures for present problems of agriculture, the full increase for the research activities of the State experiment stations has been allowed. While it has some doubts as to whether or not this is the real answer to the problems facing the farmers of the Nation, the committee feels that the Secretary should have every opportunity to find the answer to farm problems through this means.

The committee has demonstrated at every opportunity in the past that it believes strongly in this work. Increases from \$7 million in 1947 to over \$19 million in 1955 attest to this fact. At the same time, members of the committee feel that some of the work being carried out under this program is of doubtful value. They believe that a more careful screening of the various research projects is needed if additional increases are to be requested each year. The committee doubts that Members of Congress are aware that they have been support-

ing large increases in this appropriation each year for such research projects as "rural population dynamics," "methodology," and "patterns of child rearing in southern families and their relation to the personality development of children."

The committee realizes that the Department cannot initiate research projects under this appropriation, and recognizes the difficulties involved in attempting to restrict or eliminate lines of work which the State experiment stations wish to undertake. Nevertheless, the Secretary is urged to institute a stronger and more thorough review of research programs under this heading in order to curtail duplication of effort and eliminate less essential work. The committee also feels that this program should be administered in such a manner as to assure that Federal funds are fully matched by the States.

Foot-and-mouth and other contagious diseases of animals and poultry: The full budget estimate of \$1,900,000 is recommended for the foot-and-mouth disease research program at Plum Island. This will permit continuation of the program at the current level. When the main laboratory facilities now under construction are completed, a larger research program will probably be required.

Extension Service

Appropriations, 1955-----	\$43,537,500
Estimates, 1956-----	49,337,500
Recommended, 1956-----	48,895,000
Comparison:	
1955 appropriations-----	+5,357,500
1956 estimates-----	-442,500

The function of the Extension Service is to take research results and other agricultural information to rural people in a manner that effectively meets the farm and family needs. The Cooperative Extension Service is financed from Federal, State, county, and local sources. The funds are used within the States for the employment of county agents, home demonstration agents, 4-H Club agents, State specialists, and others who conduct among rural people the educational programs of the Department.

Payments to States, Hawaii, Alaska, and Puerto Rico: The budget request of \$45,475,000 is recommended for 1956 for payments to State land-grant colleges for extension activities. This is an increase of \$5,800,000 over funds available for the current fiscal year. The amount approved provides an increase of \$5,493,000 for additional State and county extension workers, and an increase of \$395,000 for additional educational work in the marketing field. These are offset by a reduction of \$88,000, due to shifting the farm forestry extension work to the regular funds of the Extension Service.

Here again the committee has gone along with the full budget request in view of the Department's hope that this program will enable the farmer to meet his problems and remain on the farm. The value of this work has long been recognized by the Congress and every opportunity has been taken by the committee to strengthen it. This is indicated by

the fact that the appropriations for this purpose have increased over 45 percent since 1947. While the committee cannot fully accept the Department's position that research and extension offer the only answers to the present ills of agriculture, it has recommended the full increase in order to enable the Secretary to carry out the program on the basis proposed by him.

Reports from committee investigators and testimony before the committee raise several basic questions regarding the use of additional funds of \$7.5 million appropriated for this program a year ago. A survey made in Texas last year revealed that, while State extension officials had no firm plans for the use of the increases approved for 1955, they thought they might be able to make use of the money to "expand the educational program so that people would be informed through the Extension Service regarding international affairs."

The report also raised a question concerning the ultimate goal of the Extension Service. It developed evidence that, while the program's traditional role has been one of education, it now is being extended into the activities of the various action agencies, such as the Soil Conservation Service and the Farmers Home Administration. It also reported that 5 additional county agents have been added to certain experimental counties in the South on the basis of 1 agent for each 50 farm families. It pointed out that the expansion of such a plan to the 5 million farm units throughout the country would ultimately result in the employment of 100,000 extension agents and 50,000 home demonstration agents. While the Department's witnesses disclaimed any such objectives, the committee feels that this experimental program should be watched very closely. Large increases are being proposed for this activity each year with no evidence of a clear-cut plan for leveling off at a point which can be supported by Federal funds.

Testimony presented to the committee indicates a need for an intensified educational program among agriculture producers on grain sanitation problems. In the opinion of the committee, the large increase recommended for the coming fiscal year should make it possible to develop and carry out a program to meet this need.

Federal Extension Service: The committee recommends \$3,420,000 for 1955, a decrease of \$442,500 below the budget estimate and the 1955 appropriation. On the basis of amounts expended in fiscal year 1954 and obligated to date this year for penalty mail, it is believed that the reduction can be absorbed without any difficulty.

Farmer Cooperative Service

Appropriation, 1955-----	\$408,000
Estimate, 1956-----	408,000
Recommended, 1956-----	408,000

The Farmer Cooperative Service was established by the Farm Credit Act of 1953, which transferred the research and technical assistance work for farmers marketing, purchasing, and service co-

operatives from the Farm Credit Administration to the Secretary of Agriculture. The Service conducts research and carries on related service and educational activities on problems of organization, financing, management, merchandising, product quality improvement, costs, efficiency, and membership. It works closely with cooperatives throughout the country to help the 3 million farmers who are members of such organizations improve the operations of their businesses. It also advises other Federal agencies on problems relating to agricultural cooperatives.

The committee recommends the full budget of \$408,000 for 1956, to permit the continuation of this program at the present level.

Soil Conservation Service

Appropriations, 1955-----	\$74,453,871
Estimates, 1956-----	75,396,200
Recommended, 1956-----	80,612,579
Comparison:	
1955 appropriations-----	+6,158,708
1956 estimates-----	+5,216,379

The Soil Conservation Service assists soil conservation districts and other co-operators in providing technical aid to farmers and ranchers in bringing about physical adjustments and land use that will conserve soil and water resources, provide economic production on a sustained basis, and reduce damages from floods and sedimentation. The Service also develops and carries out special drainage, irrigation, flood prevention, and watershed protection programs in cooperation with soil conservation districts, watershed groups, and other Federal and State agencies having related responsibilities.

Conservation operations: The committee recommends an appropriation of \$58,612,579 for 1956, an increase of \$1,044,000 above the 1955 appropriation and an increase of \$2,916,379 above the budget estimate. The committee does not agree with the proposed reductions contained in the 1956 budget and has restored the full amount cut. In addition, it has added \$1,044,000 to finance technical service to the 58 new soil conservation districts expected to be established during the coming fiscal year. The committee members believe that the past record of this fine organization and the serious drought and dustbowl problems facing the country fully support this action.

The committee is disturbed by evidence of efforts to gradually eliminate this program. Apparently a task force of the Commission on Intergovernmental Relations intends to recommend that this organization be abolished and its work be turned over to the State extension service or something similar. While the Department has not yet received such recommendations officially, it understood that the Secretary is represented on the Commission and is aware of these developments. Certain factors tend to indicate some sympathy within the Department and the Bureau of the Budget for the reported position of the Commission. The budget cuts proposed each year in this program provide some basis for this conclusion. They also in-

dicating a complete lack of appreciation by the executive branch of the generally recognized need for increased attention to conservation throughout the country. It is requested that the committee be notified by the Department as soon as official recommendations are received from the Commission, so that appropriate congressional action can be considered.

The committee is firmly opposed to the subordination of the Soil Conservation Service to any other agency.

Watershed protection and flood prevention: Amounts recommended for 1956 for these two programs are \$12 million for watershed protection and \$10 million for flood prevention. The amount proposed for watershed protection is \$1 million over the budget estimate and \$4,790,000 above the 1955 appropriation. The recommendation for flood prevention provides an increase of \$804,708 above 1955 and \$1,300,000 above the budget estimate.

As discussed earlier in this report, the committee is firmly convinced that some increase in these programs is fully justified. All testimony received indicates the urgent need to speed up these programs to meet the public demand throughout the country for upstream watershed work. In view of the failure of the executive branch to recognize this need, Congress must take the initiative and provide adequate funds to assure a reasonable rate of progress in this work.

Construction on the 11 watersheds authorized in 1936 is only 20 to 25 percent complete after nearly 20 years. At the present rate of progress, they will require an additional 50 years or more to complete. Further, the number of watersheds on which work is under way under existing watershed protection programs is only a small fraction of the watersheds throughout the Nation which need such attention and for which local support has been or will be pledged on a full matching basis. The delay appears to be due entirely to the lack of adequate Federal funds, since local contributions in the form of money and land easements have been more than adequate to match all Federal expenditures to date.

Funds contained in the flood prevention appropriation for the Yazoo and Little Tallahatchie Watersheds shall be used for the portions of work covered in the flood survey reports and defined as "additional measures to accelerate flood prevention" to the full extent necessary to keep the overall flood prevention program in balance.

Agriculture Conservation Program Service

Appropriation, 1955.....	\$191,700,000
Estimate, 1956.....	250,000,000
Recommended, 1956.....	214,500,000

Comparison:

1955 appropriation.....	+22,800,000
1956 estimate.....	-35,500,000

The purposes of this program include restoring and improving soil fertility, reducing erosion caused by wind and water, and conserving water on the land. To effectuate these purposes, the agricultural conservation program offers cost sharing assistance to individual farmers and ranchers in all of the 48

States, Alaska, Hawaii, Puerto Rico, and the Virgin Islands for carrying out approved soil building and soil and water conserving practices on their farms. Allotments are made to the States based upon conservation needs.

An appropriation of \$214,500,000 is recommended for 1956, a reduction of \$35,500,000 below the budget estimates. The amount recommended will provide adequate funds to meet all commitments made to participants in the program under the 1955 program authorized last year. The reduction is made possible by a carryover of unused funds from the 1953 program. The action of the committee will not result in a failure to meet obligations incurred under prior year authorizations, and it should not be considered as a basis for reductions in the size of this program in the future.

The advance authorization for the 1956 program is recommended at this year's level of \$250 million. This amount, which is \$75 million higher than that requested in the budget, is recommended by the committee to assure adequate protection of the Nation's greatest natural resource, the soil, in the face of constantly falling farm income. The committee is certain that the difficulties facing the farmers of the country, such as falling farm prices and rising farm costs, will have a definite tendency to reduce conservation effort during the coming year, unless the Federal Government continues to provide strong leadership and adequate financial encouragement to induce farmers to continue their part of the program. The committee feels strongly that reduced attention to the Nation's conservation efforts during this period of severe drought and dust storms would be a serious mistake and an irreparable blow to future generations of Americans.

The committee has not agreed to the budget language restricting the use of funds for small payment increases authorized by the basic law. The objective of this program is to get conservation work done on the land, and some special consideration must be given to the small farmer to enable him to participate on a satisfactory basis. It is frequently this type of land which needs conservation attention the most. The committee feels that handling the small payment increase along with regular payments would result in the administrative improvements desired by the Department.

Agricultural Marketing Service

Appropriations, 1955.....	\$106,376,352
Estimates, 1956.....	91,396,000
Recommended, 1956.....	107,027,197

Comparison:

1955 appropriations.....	+650,845
1956 estimates.....	+15,631,197

The Agricultural Marketing Service is organized to aid in advancing the orderly and efficient marketing of the effective distribution of products from the Nation's farms. The marketing and distribution functions of the Department, which are centered in this Service, include research and development of agricultural marketing and distribution; analyses relating to farm prices, income and population, and demand for farm

products; crop and livestock estimates and related statistical and economic research; market news service; standardization, inspection, grading and classing of farm products; freight rate assistance; marketing and regulatory acts (including marketing agreements and orders); cooperative programs in marketing; the national school lunch program; surplus removal programs under section 32 of the Agricultural Adjustment Act; food trade activities; and other assigned responsibilities related to agricultural marketing and distribution.

Marketing research and service: A total of \$22,791,000 is recommended for 1956, an increase of \$992,500 over 1955 and \$395,000 over the budget estimate. This amount includes \$10,981,000 for marketing research and agricultural estimates and \$11,810,000 for marketing services.

The committee has approved the full budget estimate for research and agricultural estimates, which provides an additional \$758,000 over funds available in fiscal year 1955. The full increase requested has been approved because of the Secretary's belief that increased research holds the principal hope for meeting present-day farm problems, and because of the committee's desire to allow the Secretary sufficient funds to determine the accuracy of his position.

The committee has ear-marked \$1 million of the funds provided under this heading to be used for a special study of the price spread between the farmer and the consumer. According to figures received from the Department, the farmers' share of the consumer's food dollar has been decreasing constantly—from 54 percent in 1945 to 43 percent at the present time. The committee believes that research efforts to offset the loss of farm income through improved practices on the farm can only partially meet the problem. Therefore, it feels that more attention should be given to research on that portion of the consumer's food dollar that goes to the transportation, processing and distribution system. It requests that this study be initiated immediately to develop information on a few of the major food crops in several different areas of the country for the period 1945 to date. The committee also feels that a portion of these funds should be used for the dissemination of this type of information to the consuming public to develop a better understanding of the extent to which such factors as freight rate increases, antiquated terminal markets and special processing and packaging of foods adds to the retail prices paid by the consumer.

In the opinion of the committee, there is strong justification and demand for reinstatement of the July crop reports for popcorn and honey products. Testimony received from officials of the Department indicates that these reports were dropped due to lack of funds. It is recommended, therefore, that a portion of the increase provided under this head be used to reinstate this service.

The amount recommended for marketing services provides for the restoration of funds deleted by the budget for

inspection and grading of fresh fruits, vegetables, poultry, and eggs. The committee feels that this work should be continued on the present basis until the Department and the Congress have taken further action on inspection services for all commodities.

The funds include an increase of 200,000 for market news services. The committee has allowed the full budget increase of \$125,000 to initiate this work in 7 new locations. Also, it has allowed an additional \$75,000 to permit establishment of offices in some of the other locations where market news services are needed as indicated by the testimony presented during the hearings. It is understood that the necessary local matching funds have been pledged in all cases.

A problem with respect to the administration of the Packers and Stockyards Act was brought to the committee's attention during the hearings. Testimony developed the fact that, due to restrictions established several years ago, the inspection and posting of stockyards in Texas is not handled on the same basis as in southern Oklahoma. The additional expense to cattle markets regulated under the act puts them at a distinct disadvantage with competitors in contiguous areas. The committee feels that such an arrangement is inequitable and represents a threat to this program. It believes that this matter should be given immediate attention by the Department so that firm recommendations can be submitted to the appropriate committees of Congress to remedy this situation.

Payments to States, Territories, and possessions. The full budget estimate of \$1 million is recommended for 1956, an increase of \$100,000 over funds available for 1955. The increase covers additional funds to the States for assistance in applying research results and improved marketing practices to the marketing of farm products.

School-lunch program. The committee recommends restoration of the budget cut in order to permit this program to be continued at this year's level of \$83,236,197.

The committee received a great deal of testimony on this subject. Much of it indicated the need for additional amounts above those approved to meet the increasing number of schoolchildren participating in the program and the constantly rising food costs. Many Members of Congress, many representatives of organizations working with schoolchildren, and many representatives of school cafeterias throughout the country appeared before the committee strongly supporting full restoration of the budget reduction. All farm organizations and similar groups appearing before the committee also recommended against the proposed reduction.

As was the case last year, the reduction was based on the assumption that the loss of section 6 purchases would be fully offset by the availability of commodities from section 32 funds. This position appears to be based entirely on speculation, since the latest figures available indicate that the distribution of commodities to schools during the pres-

ent school year will fall as much as 28 percent below the previous year. The committee believes that this program is too important to the welfare of the Nation to make reductions on the basis of assumptions which have not been sound in the past.

Also, it is generally recognized that section 6 purchases are necessary to provide the balanced type of meals required by this program. A great many of the commodities available from section 32 funds are not identical in kind or in nutritional characteristics with those available from purchases under section 6. This is particularly true in connection with fresh fruits and vegetables.

Congress created the section 32 fund to provide some measure of price support for commodities not under regular support programs, particularly perishables. As provided by the basic legislation, the program was established to "(1) encourage the exportation of agricultural commodities and products thereof by the payment of benefits in connection with the exportation thereof, or of indemnities for losses incurred in connection with such exportation, or by payments to producers in connection with the production of that part of any agricultural commodity required for domestic consumption; (2) encourage the domestic consumption of such commodities or products by diverting them, by the payment of benefits or indemnities or by other means, from the normal channels of trade and commerce or by increasing their utilization through benefits, indemnities, donations or by other means, among persons in low income groups as determined by the Secretary of Agriculture; and (3) reestablish farmers' purchasing power by making payments in connection with the normal production of any agricultural commodity for domestic consumption."

Congress has given this program full support through the years. It has repeatedly taken action to make certain that the funds for this purpose are not diverted to other programs. It has frequently reaffirmed the basis for the fund—to stabilize chaotic markets by removing, or announcing an intention to remove, a portion of the temporary surplus from the markets.

It is disturbing to the committee to see the Department's failure to use this program as intended by Congress, despite the fact that adequate funds have been available to meet all needs. In the opinion of the committee, the Department's decision not to meet such situations as the disastrous collapse of egg prices last fall, through the removal of small quantities of the product from those markets temporarily in distress, was a serious mistake and a severe economic blow to the poultry producers of the country.

The committee urges the Secretary to change his policies in this regard. Proper use of this fund will benefit the entire economy of the country as well as the agricultural producer. Further, it will make more food available to the school-lunch program through section 32 purchases, as has been proposed in the last two budgets presented to this committee.

Foreign Agricultural Service

Appropriation, 1955-----	\$2,515,000
Estimate, 1956-----	3,365,000
Recommended, 1956-----	3,365,000
Comparison: 1955 appropriation--	+850,000

The Foreign Agricultural Service administers the foreign agricultural programs of the Department and develops plans and policies related to the administration of the foreign affairs and interests of United States agriculture. It disseminates to American agriculture the basic information essential to the aggressive foreign marketing of United States agricultural products and to making necessary adjustments to meet changing situations abroad. The Service conducts a broad program designed to develop foreign outlets for the agricultural products and analyzes competition and demand factors relating to foreign marketing. It also directs and coordinates the continuous economic analysis and interpretation of world conditions and developments that significantly affect the retention and expansion of foreign markets for American products. The Service directs and coordinates a worldwide agricultural attaché service, with particular emphasis on the development of markets for American products, and on trade reporting from foreign areas designed to aid American farmers and exporters.

In allowing the full budget request for 1956, the committee has taken into consideration the urgent need to solve one of the most acute problems now facing the American farmer. This is the need to reduce the large stocks of commodities in the hands of the Commodity Credit Corporation by sales in world trade. The committee believes that the expansion of this service, and the increased activities in foreign markets by private United States agricultural representatives which should result, will help the United States to move back into world markets on a basis which will encourage foreign purchases of United States agricultural commodities.

The committee has earmarked \$500,000 of the funds approved for 1956, for use in gathering and keeping current information on foreign agricultural production from 1946 to date, and for conducting a study of agricultural programs and policies in other countries throughout the world designed to move agricultural commodities into world trade on a competitive basis. The committee believes that such a study is essential to the development of a program to meet the competitive situation facing American agriculture abroad. It becomes increasingly apparent that Congress must be fully informed as to the world picture in order to determine our farm policies at home. Testimony before the committee disclosed that such information is inadequate. The committee requests the periodic reports on the findings from this study be furnished to the appropriate committees of Congress.

Commodity Exchange Authority

Appropriation, 1955-----	\$693,000
Estimate, 1956-----	698,000
Recommended, 1956-----	698,000
Comparison: 1955 appropriation--	+5,000

The objectives of this program are to prevent commodity price manipulation and corners; prevent dissemination of false and misleading crop and market information affecting commodity prices; protect hedgers and other users of the commodity futures markets against cheating, fraud, and manipulative practices; insure the benefits of membership privileges on contract markets to co-operative associations of producers; insure trust fund treatment of margin moneys and equities of hedgers and other traders and prevent the misuse of such funds by brokers; and provide information to the public regarding trading operations and contract markets.

The additional \$5,000 recommended for the fiscal year 1956 is provided to place on a full year basis the regulation of futures trading in wool initiated last fall under provisions of Public Law 690 adopted in the last Congress.

Representations have been made to the committee that much improvement could be made in the handling of futures markets, if the number of points for delivery of commodities under futures contracts were increased and located more conveniently. Testimony before the committee also indicates a need for more and better consumer education with reference to official grades and standards of various agricultural commodities. The record further indicates a need to increase the penalties for violations of the Commodity Exchange Act. The committee recommends that the Department give these matters further attention during the coming year, so that appropriate action can be taken by Congress, where necessary, to improve or correct these conditions.

Commodity Stabilization Service

Appropriations, 1955-----	\$100,850,000
Estimates, 1956-----	100,600,000
Recommended, 1956-----	98,600,000
Comparison:	
1955 appropriations-----	-2,250,000
1956 estimates-----	-2,000,000

The Commodity Stabilization Service has responsibility for the operation of the Commodity Credit Corporation, the agricultural adjustment programs, the Sugar Act, the International Wheat Agreement, the ASC State and county offices, and various related activities.

Considerable attention was given during the hearings to the operations of this large and complicated organization. The respective roles of the Washington office, the State offices and the county committees were discussed at length. Findings and observations developed by committee investigators were considered, including numerous examples of administrative deficiencies, excessive operating costs, lack of personnel training and supervision, and inadequate sales policies. Also, attention was directed to various instances cited of inadequate inspection procedures, heavy losses due to careless handling and storage of commodities, and questionable practices followed in the procurement of equipment and related items. Evidence was developed indicating that the same operating negligence and administrative irresponsibility resulting in the widespread grain scandals revealed

by investigations of this committee a few years ago are still in existence. Information was also presented indicating that grain bins have been recently purchased from some of the same concerns which delivered poor quality structures under similar contracts on previous occasions.

It is difficult to understand how a program which has been in operation for nearly 20 years can still be in such a chaotic condition. And it is hard to understand how many of the same conditions discovered a few years ago have been allowed to continue, with no apparent effort to correct or eliminate them. In the opinion of the committee there can be no excuse for the existence of the same lack of administrative judgment and questionable practices which so seriously damaged the programs under the jurisdiction of this agency a few years back.

The committee urges the Secretary to look into these matters immediately and to take strong and forceful action to correct the unsatisfactory conditions discovered. It is important that steps be taken to protect the reputation and standing of this arm of the Department and to prevent further damage to the farm programs of the Nation.

Some of the difficulties here appear to result from the divided responsibility between the Washington office, the State offices, and the county offices. The line of authority running from Washington to the field appears to be weak and the supervision of field establishments appears to be almost nonexistent. Also, many of the difficulties seem to result from poor management and personnel practices in the county offices.

It is the belief of the committee that considerable improvement in the operations of this farflung and important agency would result from a change in personnel policies in the county offices. It is recommended that the regular full-time employees of these offices be required to meet civil-service qualifications for comparable work and be paid on a basis comparable to regular Federal salaries. Such a change should enable the Department to hold personnel in the county offices fully responsible for the performance of their duties. Also, it should help to reduce present turnover and should help in the recruiting of qualified personnel. In addition to correcting many of the administrative deficiencies noted in the investigator's report, such a plan should increase employee efficiency and morale and should result in greater economy in the use of Federal funds. In the committee's opinion, the added salary costs could be fully covered from savings resulting from such a change.

Agricultural adjustment programs: The budget estimate of \$39 million is recommended for 1956, a reduction of \$2,250,000 below the 1955 level of operation. This reduction is possible due to decreased workload in connection with the establishment of wheat allotments in certain areas and due to a decrease in a number of wheat counties to be covered next year.

Sugar Act program: The committee recommends \$59,600,000 for 1956, a reduction of \$2 million below the budget estimate. Since the funds for this program are based entirely on projected estimates of sugar production, it is felt that the appropriation should be held at the 1955 level until firmer production figures are available.

These funds, which are expended under the Sugar Act of 1948, are used to establish consumption requirements, administer quotas, and make payments to domestic producers of cane and beet sugar who meet specified conditions. From the inception of the program in 1938 through the fiscal year 1954, collections of excise and import taxes have totaled \$1,216,248,861, while expenditures have amounted to \$926,610,760.

Federal Crop Insurance Corporation

Appropriation, 1955-----	\$6,000,000
Estimate, 1956-----	6,000,000
Recommended, 1956-----	6,000,000

The Federal Crop Insurance Corporation is a wholly owned Government corporation created in 1938 to furnish protection for the farmers' investment in producing crops against loss from unavoidable causes. Crop insurance offered to agricultural producers by the Corporation provides protection from losses caused by unavoidable natural hazards, such as insect and wildlife damage, plant diseases, fire, drought, flood, wind, and other weather conditions. It does not indemnify producers for losses resulting from negligence or failure to observe good farming practices.

In accordance with the established policy of limited operations on an experimental basis, the 1955 crop-insurance program is operating in about 900 counties, furnishing insurance coverage of approximately \$432 million on wheat, cotton, flax, corn, tobacco, beans, citrus, multiple crops, and soybeans. It is expected that it will be extended to 950 counties next year.

The budget estimate of \$6 million is recommended for 1956. This will provide the same appropriation as was authorized for 1955.

Rural Electrification Administration

LOAN AUTHORIZATIONS

Authorizations, 1955-----	\$210,000,000
Estimates, 1956-----	230,000,000
Recommended, 1956-----	235,000,000
Comparison:	
1955 authorizations-----	+25,000,000
1956 estimates-----	+5,000,000

SALARIES AND EXPENSES

Appropriation, 1955-----	\$7,285,000
Estimate, 1956-----	7,680,000
Recommended, 1956-----	7,680,000
Comparison:	
1955 appropriation-----	+395,000

The Rural Electrification Administration was established by Executive order in 1935 to make loans for the extension of central station electric service to unserved rural people. The agency was continued by the Rural Electrification Act of 1936, and became a part of the Department of Agriculture in 1939. In 1949 the act was amended to authorize REA to make loans for the purpose of furnishing and improving rural telephone service. Loans for construction

of electric and telephone facilities are self-liquidating within a period not to exceed 35 years, and bear interest at the rate of 2 percent.

The committee has approved the full request of \$160 million for electrification loans for the coming fiscal year. In addition it has approved a contingency fund of \$100 million for electrification loans, to enable the Secretary to meet any large or unusual needs in any area of the country which otherwise could not be handled within the regular authorization on the basis of the formula contained in the basic legislation. The amount recommended, together with an estimated carryover of \$21 million and probable rescissions of \$4 million will make a total of \$185 million available for electrification loans during the coming year, exclusive of the contingent fund provided in addition thereto.

The committee also recommends a total of \$75 million for the rural telephone program. This amount, which is an increase of \$5 million over the budget estimate, will enable the telephone program to continue at the same level as was authorized for 1955. The committee believes that the large backlog of loan applications on hand makes it unwise to reduce this program below the current year's level.

It is understood that proposed legislation has been presented to Congress to repeal the formula for distribution of loan funds contained in the basic law. The principal argument advanced for this action is that the Department may be prevented from making loans in certain States, due to the restrictions in the basic formula. During the hearings the committee requested the Department to present a statement of those projects which have been or might be denied due to the lack of adequate loan authority. The Department has not presented any such projects to the committee, in the absence of which there seems to be a question as to the need for elimination of the formula, though some modification may be in order.

In order to make certain that adequate authority will exist in 1956 to cover all possible loan applications qualifying under the law, the committee has approved the additional contingency fund outlined above. It has pointed out that these amounts are merely limitations on how much can be borrowed from the Treasury—and no money is drawn down until a loan has been finally approved and advances of funds thereunder have been authorized.

For salaries and expenses, the committee recommends the full request of \$7,680,000, an increase of \$395,000 over amounts provided for 1955. The additional funds are authorized for administration of the rural telephone program, in order to speed up the handling of loan applications and construction work.

Farmers' Home Administration

LOAN AUTHORIZATION

Authorizations, 1955-----	\$153, 000, 000
Estimates, 1956-----	147, 000, 000
Recommended, 1956-----	153, 000, 000
Comparison: 1955 estimates--	+ 6, 000, 000

SALARIES AND EXPENSES

Appropriation, 1955-----	\$23, 550, 000
Estimate, 1956-----	24, 500, 000
Recommended, 1956-----	24, 500, 000
Comparison: 1955 appropriation -----	+ 950, 000

The Farmers' Home Administration performs the following four major activities: First, to make direct and insured farm ownership loans to farm tenants, farm laborers, sharecroppers, and other individuals for the purchase, enlargement, or development, including farm housing and other building construction, of family type farms; second, to make production and subsistence loans to farmers and stockmen for farm operating expenses and other farm needs, including the financing of indebtedness and family subsistence; third, to make direct and insured soil and water conservation loans for the effective development and utilization of water supplies and for the improvement of farmland by soil and water conserving facilities and practices; and fourth, to make emergency loans to farmers and stockmen in designated areas where a disaster has caused a need for agricultural credit not readily available from commercial banks, cooperative lending agencies, the Farmers' Home Administration's regular loan programs, or other responsible sources. Technical guidance in planning and carrying out sound farm operations is provided borrowers on the basis of their individual problems and needs. No loans are made to applicants who can secure adequate credit from other sources at reasonable rates.

The committee recommends the same amounts for loan authorizations as were authorized for 1955. This includes \$19 million for farm ownership and housing loans, \$122,500,000 for production and subsistence loans, and \$11,500,000 for soil and water conservation loans.

The reduction proposed in the 1956 budget for farm ownership and housing loans has been restored. This action is based on evidence that the need for farm houses and other farm buildings is continuing to increase, particularly among young veterans just getting started on the farm. The committee feels that this phase of the agency's program has not been receiving the proper attention in recent years and recommends strongly against any reduction in funds at this time. It does not agree with the recent change in policy, under which funds for direct loans would be reduced, with a proposal to handle a larger portion of farm ownership and housing loans through insured mortgages. With falling farm income and the many other difficulties encountered in getting established on the farm, the higher interest charges and larger initial capital required under the insured mortgage type of loan would present additional problems to the borrowers.

An increase of \$950,000 is recommended for salaries and expenses to enable the Farmers' Home Administration to adequately protect the Government's large investment in this program. For the past several years, the commit-

tee has warned that the reductions made by the Department in these administrative funds would result in an increase in the number of delinquents, due to inadequate supervision and assistance to the borrowers. Testimony this year indicates that the number of delinquents has increased during the past several years, and the committee feels very strongly that additional funds must be provided to reverse this trend. Proper safeguarding of the borrower's interest and the security of the Government demands careful scrutiny of loans granted, good judgment, and a complete understanding of farm and home management. These can be met only if sufficient funds are appropriated to enable the field personnel of this agency to work closely with the borrowers during the period of the loan.

The committee is also concerned about evidence that the heavy demands made upon this agency, due to the emergency and disaster loan programs in the drought areas, are interfering with its regular work. This may be one factor contributing to the lack of adequate supervision of borrowers during the past several years and the increase in the number of delinquents. While the committee is in general agreement with the policy of absorbing additional work with regular employees wherever possible, it believes that such a practice should not interfere unduly with other essential activities. In order to assure that the regular operations are not restricted because of the emergency and disaster loan problems, it is recommended that additional personnel be provided and sufficient funds be transferred from the Disaster Loan Revolving Fund to cover the administrative costs directly related to lending activities under that fund.

Office of the General Counsel

Appropriation, 1955 -----	\$2, 079, 000
Estimate, 1956 -----	2, 164, 000
Recommended, 1956 -----	2, 079, 000
Comparison: 1956 estimate-----	- 85, 000

This office, as the law office of the Department of Agriculture, performs all the legal work arising from the activities of the Department. The General Counsel represents the Department in administrative proceedings for the promulgation of rules having the force and effect of law; in quasi-judicial hearings held in connection with the administration of various programs and acts; and in proceedings before the Interstate Commerce Commission involving freight rates and practices relating to farm commodities, including appeals from the decisions of the Commission to the courts. He serves as General Counsel for the Commodity Credit Corporation and the Federal Crop Insurance Corporation. In addition, he furnishes necessary review in connection with criminal cases arising under the programs of the Department for the purposes of referring them to the Department of Justice.

The committee recommends the same amount for 1956 as has been available during 1955. In view of the large unused balance of funds last year, it is believed

that the additional functions proposed in the 1956 budget can be met within the amount approved.

Office of the Secretary

Appropriation, 1955-----	\$2,116,000
Estimate, 1956-----	2,172,600
Recommended, 1956-----	2,116,000
Comparison: 1955 estimate-----	-56,000

The Office of the Secretary includes such staff offices of the Department as the immediate Office of the Secretary, the Office of Personnel, the Office of Budget and Finance, the Office of Plant and Operations, and the Office of Hearing Examiners.

The committee recommends \$2,116,000 for 1956, the same amount as is available for 1955. It is in full accord with the proposal to strengthen the inspection and investigation program of the Department in the Secretary's office. However, in view of the large unobligated balance of funds in 1954, it believes that this program can be instituted within the funds authorized.

Office of Information

Appropriation, 1955-----	\$1,216,000
Estimate, 1956-----	1,238,000
Recommended, 1956-----	1,238,000
Comparison: 1955 appropriation--	+22,000

The Office of Information has general direction and supervision of all publications and other information policies and activities of the Department, including final review, illustrating, printing, and distribution of publications; clearance and release of press, radio, television, and magazine materials; maintenance of central files of news and general illustration type photographs; and preparation and distribution of exhibits and motion pictures. The Office publishes the Yearbook of Agriculture, the annual report of the Secretary of Agriculture, the Department Directory, the Department List of Publications, handles the distribution of farmers bulletins, and service letter and telephone requests for general information received in the Department. It also produces motion pictures, art and graphics materials, and photographic work for the Department and other Government agencies through reimbursements.

The full budget estimate of \$1,238,000 is recommended for 1956, an increase of \$22,000 over the funds appropriated for 1955. The additional funds are provided to enable the Office to handle the increasing volume of requests for information and publications, and to permit printing the Department's List of Publications and the Farmers Bulletin Lists. The funds for these purposes were removed from the appropriation last year and need to be restored to meet demands for information and printed material.

The committee deplores the Department's failure to issue statements and releases to the public on a full and complete basis. A review of the many speeches and releases of the Department during the past year indicates that this information is restricted in nature and does not fully present all aspects of the various farm problems facing the Nation. The committee believes that the best interests of all segments of our economy will be served if all sides of

every issue are presented to the people of the country. It is recommended that steps be taken to disseminate information presenting the farmer's side of the many farm issues.

Library

Appropriation, 1955-----	\$659,950
Estimate, 1956-----	659,950
Recommended, 1956-----	659,950

The Library, pursuant to the Department's Organic Act of 1862, and under delegation from the Secretary, procures and preserves all information concerning agriculture. Under the act establishing the Department, the Library also serves as the national agricultural library.

The budget estimate of \$659,950 is recommended for the coming fiscal year. This will enable the Library to continue its operations on the same basis as authorized for 1955.

Commodity Credit Corporation

RESTORATION OF CAPITAL IMPAIRMENT

Estimate, 1956-----	\$1,634,659
Recommended, 1956-----	1,634,659
Comparison: 1955 appropriation	+1,634,659

ADMINISTRATION EXPENSE LIMITATION

Authorization, 1955-----	\$25,290,000
Estimate, 1956-----	26,000,000
Recommended, 1956-----	26,000,000
Comparison: 1955 authorization	+710,000

In recent years the restoration of capital impairment of the Commodity Credit Corporation has been handled through note cancellation. In the future, however, restorations will be handled by direct appropriation, as provided by legislation adopted last year. The realized loss during the fiscal year 1954 was \$547.2 million. However, because of a change in restoration from projected to realized loss, all but \$1,634,659 of the 1954 impairment can be covered from funds provided last year.

In connection with the administrative expense limitation of the Corporation, the committee is recommending the full budget request of \$26 million. Of this amount, \$2 million has been placed in reserve to be used to expand and strengthen the sales effort of the Corporation.

After full hearings and thorough consideration of the many problems resulting from the large stocks of commodities carried by the Corporation, the committee is convinced that a change in basic sales policy must be made and a strong and affirmative sales program must be developed. Testimony presented to the committee indicates that the present program for disposal of these commodities is largely limited to barter, sales for foreign currencies, and donations. The hearing records on this point are full of such terms as "removal," "disappearance," "barter," "giveaway," and "disposal," with a complete lack of reference to plans for the sale of commodities for dollars, as authorized and contemplated by the Corporation's basic charter.

In order to enable the Corporation to establish an effective sales program, the committee has earmarked \$2 million of the administrative funds for this purpose. It believes that the employment of an experienced sales manager and the establishment of a proper sales organiza-

tion to move these stocks into world markets on a competitive bid basis will result in saving hundreds of millions of dollars.

One of the primary arguments given in support of flexible price supports is the need to reduce the Government's investment in farm commodities. Figures available from the Department indicate that savings which might result from lowered support prices are being fully offset by the very heavy storage costs resulting from the Corporation's failure to keep its stocks moving into normal channels of world trade at prices which will sell them.

In addition to removing one of the most serious threats to our agricultural programs, this establishment of such a sales policy should make possible substantial savings in storage and warehousing charges. As discussed elsewhere in this report, approximately half of commodity losses in recent years are represented by storage and warehousing charges. In fiscal year 1954, storage, warehousing, and transportation charges totalled \$224 million, and the Department estimates that such costs will exceed \$263 million during the fiscal year 1955.

The committee further recommends that amounts paid for storage in the fiscal year 1956 be reduced by not less than 20 percent below 1955. In order that Congress may be kept currently advised of progress made on this problem, it is requested that a semiannual report be submitted to the appropriate committees, showing (1) the quantity and inventory value of commodities on hand which have not been offered for sale in world trade on a competitive basis, and (2) the storage charges on all commodities which have been held by the Corporation for more than 18 months.

Research on strategic and critical agricultural materials

Appropriation, 1955-----	\$331,500
Estimate, 1956-----	300,000
Recommended, 1956-----	300,000
Comparison: 1955 appropriation--	-31,000

The Strategic and Critical Materials Stockpiling Act of 1946 authorizes and directs the Secretary of Agriculture to make scientific, technologic, and economic investigations of the feasibility of developing domestic sources of any agricultural material or substitute for such materials determined to be strategic and critical. This appropriation is to enable the Department to carry out its responsibilities under this act.

The committee recommends the budget estimate of \$300,000 for the fiscal year 1956. The decrease of \$31,500 is due to the planned completion of certain phases of present investigations on vegetable tannins. Research and investigations on vegetable fats and oils and fiber plants will be continued in 1956 on the same basis as in 1955.

REIMBURSEMENTS TO COMMODITY CREDIT CORPORATION

The bill for 1956 provides reimbursement to the Commodity Credit Corporation for funds advanced to finance special programs authorized by Congress as follows: Eradication of foot-and-mouth disease in Mexico, \$5,788,897; Interna-

tional Wheat Agreement, \$57,378,551; wheat to Pakistan, \$69,273,881; emergency feed assistance, \$42,100,000; and famine relief to friendly peoples, \$9,676,628.

The first two items have been handled in previous years by note cancellation. Due to a change in law adopted by Congress last year, these reimbursements are now carried as appropriations.

The last three items listed above are included in this bill for the first time, and are based on specific acts of Congress adopted in the 83d Congress. The furnishing of wheat to Pakistan was carried out under Public Law 77, 83d Congress, which authorized the appropriation of funds to reimburse the Corporation for its investment in the wheat furnished, including handling and other costs incurred in making deliveries. The furnishing of feed and seed to farmers and stockmen in major disaster areas was authorized by Public Law 115 approved July 14, 1953. The famine relief to friendly peoples, authorized by Public Law 216, 83d Congress, covers the furnishing of 2,688,000 bushels of wheat to Bolivia, 361,047 bushels to Jordan, and 82,133 bushels to Libya.

Farm Credit Administration

Authorizations, 1955-----	\$6,250,000
Estimates, 1956-----	6,290,000
Recommended, 1956-----	6,290,000
Comparison: 1955 authorizations	+40,000

The Farm Credit Administration provides supervision, examination, facilities and services to a coordinated system of farm credit banks and corporations which make loans to farmers and their cooperatives. The Administration is an independent agency under the direction of the Federal Farm Credit Board. It was originally created in 1933 and was transferred to the Department of Agriculture in 1939. It was reestablished as an independent agency by the Farm Credit Act of 1953.

The committee has approved the full budget estimate of \$6,290,000 for the Farm Credit Administration and its member institutions, an increase of \$40,000 over 1955. The amount recommended includes \$2,320,000 for the parent organization, the Farm Credit Administration, \$550,000 for the Federal Farm Mortgage Corporation, \$1,825,000 for the Federal intermediate credit banks, and \$1,595,000 for the production credit corporations. These amounts represent limitations on the amount of the corporate funds of these organizations which can be used for administrative purposes. They are not direct appropriations from the Treasury of the United States.

The small increase is recommended in view of the increasing credit problems resulting from declining farm income. With the large increase in farm debt and the ever tightening price-cost squeeze on the farmer, it will be necessary for the intermediate credit banks and the production credit corporations to make more comprehensive credit analyses to assure sound loans and to reduce collection problems.

GENERAL PROVISIONS

The general provisions contained in the accompanying bill are the same as

those which have been included for a number of years. The only changes are found in section 501, where the limitation on replacement of passenger-carrying vehicles is increased slightly, and in section 506, where reference to basic legislation adopted last year has been added.

For a number of years, the committee has encouraged the Department to carry on a portion of its research work by contract under section 506. This has been based on the belief that such arrangements would not only improve the quality of research findings, but would limit to some extent the number of permanent research personnel added to the rolls of the Department. Recent investigation reports indicate that some of the research contracts under this section have been awarded to large and well-established organizations able to conduct such research without financial aid from the Federal Government. Some of these have been in existence continuously since 1947 for the same line of research. The committee seriously questions whether these well-established organizations should continue to look to the Federal Government as an established source of income for such research work.

LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations and legislative provisions not heretofore carried in any appropriation act are included in the bill:

On page 2, line 25, in connection with the Agricultural Research Service:

Provided further, That appropriations hereunder shall be available for uniforms, or advances therefor, as authorized by the act of September 1, 1954 (68 Stat. 1114):

On page 3, line 7, in connection with the Agricultural Research Service:

Provided, That not less than \$200,000 of this appropriation shall be available to conduct a special study of (1) the effect on farm income and the general economy of the United States of acreage reductions imposed on 1954 and 1955 crops, and (2) the most satisfactory solution to this problem, including the encouragement of sound soil conservation practices upon land diverted from production under such acreage restrictions.

On page 14, line 8, in connection with the agricultural conservation program:

Except where the participants from two or more farms or ranches join to carry out approved practices designed to conserve or improve the agricultural resources of the community.

On page 17, line 8, in connection with marketing research and agricultural estimates:

Provided, That not less than \$1 million of the funds contained in this appropriation shall be available to gather statistics and conduct a special study on the price spread between the farmer and the consumer.

On page 18, line 25, in connection with the Foreign Agricultural Service:

Provided, That not less than \$500,000 of the funds contained in this appropriation shall be available to obtain statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis.

On page 26, line 11, in connection with the Federal Crop Insurance Corporation:

Provided further, That not to exceed \$1,500,000 of administrative and operating expenses may be paid from premium income.

On page 27, line 2, in connection with the Commodity Credit Corporation:

Provided further, That \$2 million of this authorization shall be available only to expand and strengthen the sales program of the Corporation pursuant to authority contained in the Corporation's charter.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 30 minutes to the gentleman from Washington [Mr. HORAN].

(Mr. HORAN asked and was given permission to revise and extend his remarks.)

Mr. HORAN. Mr. Chairman, I want to point out as I begin that there is no argument about amounts in the bill. There is considerable disagreement about the nature of the criticism in the report. I do hope that we can work together this afternoon and perhaps develop something of value to American agriculture and to our American people.

At least two of us think that one of the finest Americans, Ezra Taft Benson, is now Secretary of Agriculture. We think he is doing a courageous job under the law, and for that reason the gentleman from Illinois [Mr. VURSELL] and I had to take exception to the critical nature of the majority report. That majority report was made available to us only when we sat down in the full committee.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. HORAN. Surely.

Mr. WHITTEN. I had understood that you were told it was available to you on Thursday. Insofar as I know, it was available Thursday, before it was printed.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr. H. CARL ANDERSEN. I think we ought to make this matter clear. The gentleman from Mississippi [Mr. WHITTEN] did tell me that a copy of the report was available in our clerk's room to look over and scrutinize. That is the usual procedure in our subcommittee. I do feel sure that if the gentleman from Washington [Mr. HORAN] had asked at that particular time to look at the report, the gentleman from Mississippi [Mr. WHITTEN] certainly would have given him the same invitation.

Mr. WHITTEN. I appreciate that.

Mr. HORAN. Service on the Appropriations Committee is an arduous, an interesting, and a very responsible job, and I love it. I enjoy serving with my chairman, the gentleman from Mississippi [Mr. WHITTEN], our ranking minority member, the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], the gentleman from Minnesota [Mr. MARSHALL], the gentleman from North Carolina [Mr. DEANE], the gentleman from Kentucky [Mr. NATCHER], and the gentleman from Illinois [Mr. VURSELL].

Basically it is our task to see that money is not wasted. Annually we review the work of the executive departments and see what they did administratively with the money we gave them last year. The executive department operates under instructions from this Con-

gress. Certainly the present Secretary of Agriculture does that.

Our is presumed to be a government of laws—not men—and those of us who serve on this committee do have a ring-side seat as regards the efficacy with which the administration carries out the policies of this body and the other body.

But it can be that we here have not completed our work. It can be that what appeared a rounded program a score of years ago has proved inadequate through the years. Perhaps we defile good programs in our efforts to avoid the consequence of discipline that must attend any action.

Perhaps we hope, by political short cuts, that we can eat our cake, yet have it, too. Very definitely we cannot. Those who dance have to pay the fiddler.

It is not my purpose today to cast aspersions anywhere; rather, it is my hope that I and the other members of this Subcommittee on Agricultural Appropriations might make some observations of usefulness.

We spend weeks in earnest consultation with those in command of the Department of Agriculture. I feel that they are trying to carry out the meaning of the law as we have written it. They are acting under a very specific law.

Next month we will vote on rigid price supports.

I shall vote for rigid price supports. But in doing so, I hope that I shall not close my mind to what needs to be done in order for them to be an asset to our farmers and our national economy instead of a liability.

Price supports have two implications we do not like, and we try to avoid them. However, Benson did not write this law; he is only carrying out the law as we have written it.

First of all—and this has been in the law since 1938—there is the certainty of acreage allotments and production restrictions and marketing quotas, when we have surpluses. The formula is there, and it is very specific. No one likes acreage allotments, production restrictions, and marketing quotas.

Secondly, price supports require a residual agency which we know as the Commodity Credit Corporation. It is not a sales agency when we need it to be a sales agency, when we have these great surpluses. That is when it is to operate as a residual storehouse of surpluses, else it wreck the market.

Theoretically, the basic act of 1938 was to work like this: The producer was to be assured a price. With this price established he could sell his crops to the Government or, with the price level established, on the open market. Any way you look at it that law has worked well as far as encouraging production is concerned. There is no question but what our farmers fed the world for about 10 years. There is no question but what our farmers helped to defeat Hitler, Mussolini, and Tojo.

Acreage restrictions were not widely invoked during that period, and the Commodity Credit Corporation was a going concern, and its existence did not affect the ready market, the open mar-

ket. Those of us who watched its operation like to say it had a stabilizing effect.

Then the distraught nations with our help got back on their feet, and I share, with some reservations, the views of the gentleman from Mississippi [Mr. WHITTEN], that what we did was to build up production in other countries.

The production from 40 million of our own acres gradually ceased to find a ready market.

Now our pipelines of wheat between the farm, into the mills, and into the factories and on the grocery shelves were almost empty. In 1948 I think we got down to around 125 million bushels. That is what it takes to fill our pipelines.

Four years later the July 1 report announced a carryover of 256 million bushels of old-crop wheat. Acreage allotments and marketing quotas should have been put into effect at that time, in July 1952, according to the formula already on the books under the law of 1938. We put that law into effect as soon as we went into office in 1953, but there was an election year in 1952, and nothing was done.

In 1953 the carryover was 562 million bushels. In 1954 it rose to 903 million bushels and the estimate for next July 1 is a whopping 965 million bushels of wheat.

I have here dealt with wheat in this example. When it is most needed the Commodity Credit Corporation dare not function as a sales agency. If it offered its stocks for sale, it would break the market. Meanwhile the wheat is aging and we seek more and more storage space on which we pay more and more money for storage costs. That is the problem Benson faces. The situation is indeed tenuous.

The 83d Congress took some constructive steps that are not only helping to move our surplus wheat, which is the worst of our surpluses, but other surpluses as well. Moreover, they are being moved into consumption without disturbing the market. Last year, for instance, about 56 percent of our wheat crop was marketed in the open market. When we have the greatest surpluses, then Commodity Credit Corporation ceases to be a sales agency. It has to hold its commodities off the open market lest it ruin the open market.

Now, let us take the suggestion of my colleague from Mississippi. He wants the Commodity Credit Corporation to start a program of offering, weekly, certain quantities of cotton. Under the law and under the charter that can be done. But let me point out that last year we moved in the open market American cotton in excess of 3,800,000 bales, not a bad amount of cotton to move into the open market, which is higher than our support price. It is estimated we will move 4,500,000 bales in the open market in the year we are in now. That is a pretty healthy thing. Suppose that they offer cotton on the world market at competitive prices. They can do it under the charter. Suppose we get into a cotton war with Peru, Chile, India, Mexico and other cotton-producing

areas where they have the low wages and they have our facilities, our know-how; suppose the price of cotton on the world market drops down and down and down as we ourselves instruct the Commodity Credit Corporation to meet competition. The textile mills around the globe will be getting cotton at a reduced price, a salvage figure. At home, however, textile mills in North Carolina and textile mills in New England will be forced under the law to pay 105 percent of parity for their supplies. Under the law we may have to be doing that this fall. But it will be a sad day for America if we do. It will close factories.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Connecticut.

Mr. MORANO. Has the Secretary of Agriculture indicated any position on that point the gentleman has just mentioned?

Mr. HORAN. Certainly, just as plain as possible. I asked him the question. It is in the record.

Mr. MORANO. He has agreed to sell?

Mr. HORAN. No. That is what all the hullabaloo is about.

Mr. MORANO. He has not?

Mr. HORAN. No. He is trying to protect the American producers.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Indiana.

Mr. HALLECK. If I understood the gentleman from Mississippi correctly and if I understood the background correctly, here is what he is contending for. Cotton has moved through private channels in the export trade. Now, if I understand him correctly, he wants to do away with that and have the Commodity Credit Corporation do the selling.

Mr. HORAN. That is right.

Mr. HALLECK. The domestic market price of cotton has been above the support price in recent months. Is that not directly a result of this method of disposing of the cotton in the foreign market? The gentleman has spoken of the effect with respect to the textile manufacturers. Will he not agree with me that if the policy advocated by the gentleman from Mississippi should be put into effect—and possibly we shall have to put it into effect—the first effect would be to lower the price of cotton here in the market place of this country?

Mr. HORAN. Not in this country, because we are under price support; in other countries, though, in the world market, we are going to meet competition.

Mr. HALLECK. If the gentleman will yield further, there are many commodities presently under price support, 90 percent; corn is one, which is produced in my district in great quantities, and the market price is considerably below the support price at this time. I assert—and I do not think it can be denied—that if the position of the gentleman from Mississippi were put into effect, one of the results would be to break immediately the price of cotton on the local markets of this country.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Mississippi.

Mr. WHITTEN. May I say that some cotton is moving, and that in the recommendations or the urgings, the thing the gentleman talks about would be controlled in several ways. One, the Corporation would have full charge of how much it offered; it would have full charge of how often it offered. It could do as it did last year when it offered this \$453 million of commodities which it sold, and it said bids below a certain level would not be accepted. So, full control is in the Department. I am asking the removal of the assurance of the umbrella. The other point I would make as far as your domestic mills are concerned is if we follow this policy of holding our support price as the world trade price long enough so that Anderson-Clayton can make a source of supply for Japanese mills in Brazil and Peru, where because of low costs they can get cotton for 15 to 20 cents of ours, then our mills are out of any export business. Now, I grant you that the Department would have to take into consideration the effect on the mills and things of that sort in determining how much and how often and how. It can do it by limiting how much is offered, how often you are offering it, or putting a limit below which they would not accept bids. But, if we do not correct this shift of supply away from the United States, where costs are higher, to these foreign countries, with low costs it will not be but a few years until we all have only a domestic market.

Mr. HORAN. I want to say I hope my chairman understands what he just stated. I certainly could not understand him.

Mr. HALLECK. Mr. Chairman, if the gentleman will yield further, I might suggest to the gentleman from Mississippi, for whom I have the highest regard as he knows—he spoke here a moment ago that he had not had a political campaign down there ever since 1944, and I think it is quite evident why, because he certainly is a great exponent of his particular views, although I must say in this particular instance he is trying to blow hot and cold—in other words, you cannot be dumping cotton all over the world and not have some of these adverse effects result. I think we have to take it one way or the other.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Kansas.

Mr. HOPE. I would like to go back to what the gentleman from Indiana was discussing a moment ago, and that is this question of the level of price supports in this country and the price that the cotton producer himself receives. Now, it undoubtedly is true that any time the level of prices in the world market—and that covers the level of prices in this country except as it is modified by the price-support program—it is also true, is it not, that if you have a world price lower than the domestic price, the

support-price program does not bring all of the cotton up to the long price? There are always a good many producers and there are many small producers in which the gentleman from Mississippi is certainly interested. Nobody is more interested than he is, but I hear that complaint all the time, that the small producers have just a few bales; they do not bother to get a loan; they have to sell the cotton as soon as it is picked, and they are the ones who are the sufferers when that situation exists. Now, this year the Department of Agriculture has not put cotton on the market. It has a comparatively small amount of cotton, but if it did put cotton on the market and that resulted in reducing the price on the world market, it would have meant that every little cotton producer in Mississippi and every other State would have probably taken somewhat less than he took for his cotton, because he has been able to sell it at from 3 to 5 percent of the loan value under the situation that existed this year.

Mr. HORAN. It is my understanding—and I want the committee to know the situation—that the Commodity Credit Corporation owns outright 700,000 bales; but they have some 7 million bales on which they have loans and which they may have to take over this fall, and if that occurs we are going to have some headaches in addition to this.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield to me?

Mr. HORAN. I yield.

Mr. WHITTEN. I should like to say, by way of illustration, in reference to what my friend from Kansas [Mr. HOPE] said, that if this cotton had been sold our supply would have been less, our exports would have been larger, and acreage this year would have been larger for those people who have been cut back to the point of no home. Any farm program must allow our farmers to farm, and then you must sell the production. If you let United States farmers farm and if you sell the production, then you have an arguing point on where our support level should be. But you have now reached the point where the Government does not let many farmers farm, and you are moving the acres overseas as we cut out at home. We are holding our commodities, in order to cut the United States acreage down. I do not see how you can argue support levels when you will not sell the production. We should not have to cut United States acreage down, to absorb United States supplies we won't sell competitively.

Mr. HORAN. When we talk about price supports, we are going to have to take the bitter pill of acreage allotments, and there go along with it—

Mr. HALLECK. That is right.

Mr. HORAN. Marketing quotas and production restrictions. You cannot eat your cake and have it, too. It cannot be done.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr. MORANO. I want to get something clear in my mind. As I under-

stand it now, the Secretary of Agriculture has a policy by which he does not offer surplus cotton in the world competitive market, and that policy in some degree protects our own textile manufacturers in New England and elsewhere in this country.

Mr. HORAN. Surely.

Mr. MORANO. As I understand the proposal of the gentleman from Mississippi [Mr. WHITTEN] it is to offer that cotton on the open market. In the opinion of the gentleman who has the floor and in the opinion of the Secretary of Agriculture, that would be dangerous.

Mr. HORAN. That is true, to American producers and American industry, in the gentleman's own State, I may say.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr. HALLECK. Mr. Chairman, I think it is about time that we had a real look at this charge that is made against the Commodity Credit Corporation's not wanting to sell anything. The fact of the matter is that our exports are up 15 percent above last year. Cotton exports, which are a matter of great interest to the gentleman from Mississippi [Mr. WHITTEN] are running, according to my information which I believe is accurate, 400,000 to 500,000 bales above last year. Commodity Credit Corporation disposals are on the increase. In other words, I do not want the RECORD to seem to indicate from this report that the Commodity Credit Corporation has not made real progress in disposing of these surplus commodities.

I should like to make one further observation. This amount of conversation about cotton may have a very bad negative effect on the world market, so far as foreign purchases are concerned, because I am certain if we are to start selling this cotton at any price maybe a lot of people will be waiting for that day to come.

Mr. HORAN. Thanks to the good work of our House Committee on Agriculture, we set up machinery that should help to place these commodities, including wheat, where they are needed. These programs are now just getting under way. They are the sale of our surpluses for foreign currency. That is an item that my colleague from Mississippi [Mr. WHITTEN] has been interested in for years.

Second. Outright grants for famine relief in friendly countries.

Third. Barter and exchange: We are not doing much there, but we have a program.

Fourth. Outright donations to prevent waste: We have done that.

Fifth. Donations of commodities, including wheat, to distress and disaster areas in the United States. And believe me, that is a proud chapter in the history of Ezra Taft Benson's administration, the things he has done to help out in Oklahoma and in Texas.

Add to this such additional programs as the International Wheat Agreement and the use of what is known as section 32 funds for the disposal of surplus com-

modities, and you can see that in your Government we already have a rather extensive program designed to help rid us of our surpluses.

But last year we did something else which should be helpful. We completed the reorganization of the Foreign Agricultural Service. I stress the word "Service." We changed it from "Relations" to "Service." It is an action thing. It is supposed to serve American agriculture and keep us advised of what is going on in the world where we have competition. And we put the agricultural attachés back under the command of the Secretary of Agriculture, where they belong. We are just now completing this retooling of our agricultural representation abroad, and it should help.

The outlook is brightening. Mr. Oris V. Wells, head of the Marketing Services, United States Department of Agriculture, speaking to our subcommittee, and this is on page 407 of the hearings, had this to say:

Indications are that July 1, 1955, wheat stocks may be somewhat greater than they were on July 1, 1954, but there has been a significant slowdown and, as a matter of fact, the crops in Canada this year and in Western Europe are none too good. So, wheat prices have currently been showing some strength as compared to not long ago.

Mr. Walter C. Berger, Assistant Administrator of the Commodity Stabilization Service, stated to us:

The Government has invested literally billions of dollars in the programs carried out through the Commodity Stabilization Service much of which—

Mr. Berger continued—

can be returned to the Treasury if adequate administrative funds are provided for, to permit programs to be administered properly and in an orderly manner.

I trust that we have done that in this bill.

But our experience teaches us that there are still some things to consider if we would avoid the difficulties that have been building up since 1952. I am pleased that we have this opportunity to discuss some of them here.

First. There is a growing interest in the establishment of a soil fertility bank. This idea is embraced in a measure introduced 2 years ago, and again this session, by my colleague the gentleman from Minnesota [Mr. MARSHALL] and my colleague the gentleman from Minnesota [Mr. H. CARL ANDERSEN] and I understand has been reintroduced. I assume they will discuss that later.

Second. There is a growing desire in my area of the country, at least, to have price supports applied on a quality instead of a quantity basis. Some refer to this general idea as a graduated loan schedule. Today price supports go on wheat and other commodities pretty much without regard to quality.

Third. The requirement that half of our donable wheat and other commodities be shipped in American bottoms has proved a roadblock to the operation of Public Law 480.

There are many other suggestions of varying merit. I mention these so that we may seek out the means as we go along

and attempt at least to be constructive in this matter.

There appears to be no way under the present law to assist those who farm too small an acreage when acreage allotments and price supports have to be applied. We encounter that difficulty especially in tobacco, wheat, and cotton. Repeatedly in the hearings I have referred to a seeming lack of research in this field. Certainly we should clearly understand what acreage constitutes an economic unit as applied to a family-sized farm and one under any price support, with its ever-present threat of acreage adjustments, that can weather the storm. I am happy to find this paragraph in the majority report:

The committee also feels that a portion of the increases allowed should be used to expand research on the farm as a productive economic unit. Research of this type is essential to future programs designed to make farming a profitable occupation.

I suppose all of this comes under the general heading of land reform. The dangers of too small holdings are well known. They exist all over the world. I remember a visit I had 2 years ago with the Minister of Agriculture at Bonn, in West Germany. He spoke of their troubles there.

It was the old, old story of the father dividing his land with his sons and his sons dividing their lands with their sons until down through the years the farms became so decimated as to be true traps of poverty. There is always a danger of allocating too small units to tenant farmers when acreage adjustments under the law of 1938 have to be made by the Secretary of Agriculture. There is danger that a living cannot be made on what is left. Let us face it. Secretary Benson did not write this law, yet he has to apply it. But the fact is acreage adjustments are in the law, and the law does not help in such circumstances. But it is a very difficult matter to reach through the Federal law or Federal administration. Perhaps a solution could be achieved through State laws; I do not know. I do know that economic research can provide the knowledge that we ought to have concerning a safe size of any farm unit for any given commodity. I do know that this is a proper field for Federal research, and I believe it ought to be done, and all of the facts known or knowable brought up to date, and then through the Extension Service this knowledge can be made a real guidepost to anyone wishing to farm either as a tenant or an outright owner. Certainly in the case of farm ownership when we help to set someone up in farming, we should give full and careful attention to this factor. I know it is being done now in the great Columbia Basin project out in the State of Washington. The size of farms there are mapped out, any they are based upon the type of soil and the known facts about the most promising crop that can be raised on them. This was the joint work of the Federal Bureau of Reclamation and Washington State College. I know, also, that many of our able men who administered the loans under the Farm Loan

Administration also take the idea of the economic unit very seriously in granting loans to prospective farm owners. None of us knows what the future holds. We do not know what the weather will be in June here and what will happen to the crops. We do not know the shape of international politics. We can only predict. We do not know what our farmers, smarting under the discipline contained in the law of 1938, will do when it comes to voting compliance. We do know that a good and courageous job under the law is being done by the present Secretary of Agriculture, Ezra Taft Benson. Many programs are working to correct this situation. I believe Secretary Benson is due and entitled to our full cooperation, respect, and teamwork.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr. WHITTEN. The gentleman from Indiana [Mr. HALLECK] raised the question of exports. He referred to Commodity Credit Corporation disposals. If you read these hearings and if you do not go behind these disposals, you will not realize that we are giving them away instead of selling them. How can you lose more money than giving away what was bought? With regard to wheat, I met with the wheat traders. They have the dollars and they wanted to buy 2 million tons more of American wheat if we would match France's price which was \$6 a ton less than ours. There are illustrations all over the world similar to that.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr. SPRINGER. I believe there is one thing that I have viewed with a great deal of sympathy in years past under Democratic administrations as well as Republican administrations. With reference to some of the remarks made by the gentleman from Mississippi, may I say the gentleman and I were in Europe a year ago last summer at the same time. We sat down at the same table and talked about this matter. Regardless of the political complexion of the administration, this whole program and the sale of surpluses in this country is irretrievably tied up with foreign policy, is that not true?

Mr. HORAN. It is bound to be.

Mr. SPRINGER. There are some very difficult problems related to our own foreign policy with reference to the question of taking markets in certain areas of the world where we have been supporting our allies. They are now economically self-sufficient and are filling these markets.

Mr. HORAN. That is right.

Mr. SPRINGER. We may be forced back into the same situation we were in from 1946 down to 1953, when they were not self-sufficient. These problems concern both the Department of Agriculture and the State Department when we get into this question of disposal in certain markets in the world?

Mr. HORAN. It is a very interesting thing. The European Payment Union which has a fund of some \$300 million

which we advanced to them—we cannot sell to the countries that were participating in that program. However, we hope that the action of the Congress last year in making it possible to sell in foreign countries for soft currencies will help the situation.

Mr. SPRINGER. The Surplus Agriculture Disposal Act has been of great assistance the last year, and the future looks much better.

Mr. HORAN. Oh, much better.

Mr. JONES of Alabama. On page 25 of the report, under "Farmers' Home Administration," I read from the report:

The Farmers' Home Administration performs the following four major activities: (1) To make direct and insured farm ownership loans to farm tenants, farm laborers, sharecroppers, and other individuals for the purchases, enlargement or development, including farm housing and other building construction, of family-type farms.

And further on in the report it provides that \$19 million would be made available for housing and farm ownership loans. Is that \$19 million a direct loan?

Mr. HORAN. It is a direct loan.

Mr. JONES of Alabama. As distinguished from an insured loan?

Mr. HORAN. Yes.

Mr. JONES of Alabama. Can the gentleman from Washington give us some assurance that the Administrator of the Farmers' Home Administration will make use of this money and make loans pursuant to the direction of the Congress, or will he withhold those funds as he has done in some instances in the past?

Mr. HORAN. I certainly hope he does not.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Minnesota.

Mr. JUDD. It has been said today that the loss of sales abroad is putting the farmer out of business. Is it not true that a lot of farmers were in business only because of what looked like sales abroad but which amounted to appropriations from the American Treasury for grants to foreign countries which they used to buy American agricultural products until they could get their own production restored?

Mr. HORAN. That is true.

Mr. JUDD. We did that because it was essential to our security that these countries be strengthened. We knew what we were doing. I am surprised that anyone failed to expect this inevitable byproduct unfavorable to our own producers. We gave them the money and they bought our farm products, and some people kidded themselves that we had sold them something. So we are not putting them out of business. Rather, it was these foreign-aid grants that put them into business.

Mr. HORAN. That is right. It is just like loaning a man money to play poker with you. It is the same idea.

Mr. JUDD. The word "dumping" has not been mentioned today very often. There has been talk about selling at competitive prices or lower prices than our competitors. But is it not true that if the United States cuts prices to try to compete with those countries which have

much lower wage levels, we will be walking right straight into disaster, because they can drastically undercut us?

Mr. HORAN. We would have chaos unlimited, in my opinion.

Mr. JUDD. And is that not what the gentleman from Mississippi [Mr. WHITTEN] is advocating?

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr. WHITTEN. I appreciate the courtesy of my friend. The State Department came before our committee and said they did not oppose the sale of our commodities at competitive prices in the world markets. They said, "We want to help." Well, who is it we want to help, the folks who need these commodities, and our folks in the United States who produce them or our competitors by holding an umbrella over their prices? We used to think it was the State Department, but they said "No." When they said no, Mr. Benson came before our subcommittee and said it was his decision, he said because of the trade. Most of the trade in my opinion differs with him—but you cannot get agreement between the trade group. You have heard a lot about the GATT agreement. Mr. Blake of the State Department said of the recent trade agreements:

That the amendment does not ban export subsidies until a nation is getting more than its fair share of the world market.

He said:

A fair share of the world market can be construed as any period that the United States desires to select. In other words, the United States could insist that the base period should be the prewar days when exports were averaging 8.5 million bales a year.

So the State Department is not holding our commodities off world markets at competitive prices. The Department of Agriculture has agreed it is its decisions. Now, whom do you want to help, the folks who need these things or your competitors who in many instances were formerly our customers when we would match the other fellows price?

Mr. JUDD. Of course, whenever the United States goes into a program of assisting countries abroad to increase their production, in order to strengthen their economies, we solve some problems, but unquestionably we help create others. For example, we have helped India produce enough rice so that she is practically self-sufficient. However, we have thereby thrown the economies of Thailand and Burma into a tailspin because a foundation stone of their economies was the export of rice to India.

Japan for decades had large textile markets in India; so did England. India today is in a position where she is almost ready to export textiles. That is another headache the gentleman from Mississippi will have to deal with—when he faces greater foreign competition with southern textiles as well as with cotton.

Mr. WHITTEN. May I ask the gentleman if it is not true that we cannot sell anything unless we make the price truly competitive?

Mr. JUDD. That is right.

Mr. WHITTEN. Can you have a national farm program if things cannot be

arranged so that the farmer can sell what is produced?

Mr. JUDD. The answer to that is that we have to weigh the advantages that we would get from selling more commodities abroad at a lower price against the advantages of maintaining at least the domestic market at a higher price.

Mr. WHITTEN. Mr. Benson says that this umbrella which he establishes over world prices particularly invites increases. Does not the gentleman think we ought to help him lower the umbrella, because it was his determination to make our support levels the world price which has had bad effects even he price, which has had bad effects even he can see?

Mr. JUDD. It is undeniable that a policy of encouraging and helping all countries, including our own, to become self-sufficient is bound to destroy a lot of world trade. Prosperity comes out of production and trade.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield myself 1 minute for the the purpose of complimenting my colleague from Washington [Mr. HORAN], upon the work that he has done as a member of the Subcommittee on Appropriations for Agriculture. Through the years the gentleman from Washington has been a very splendid man in that particular job, and as I have listened to the discussions between the gentleman from Mississippi [Mr. WHITTEN], on the one side and the gentleman from Washington [Mr. HORAN], on the other, it came to me that it is only through such discussion of basic principles that we in the Congress are enabled in the final analysis to come to a decision as to what is right or wrong; I do want to repeat that the gentleman from Washington has been a splendid member of the Subcommittee on Appropriations for Agriculture. He has been mainly responsible for the establishment of Foreign Agricultural Service, which should mean much to our Nation in the future.

Mr. WHITTEN. Mr. Chairman, I yield such time as she may desire to the gentlewoman from Missouri [Mrs. SULLIVAN].

[Mrs. SULLIVAN addressed the Committee. Her remarks will appear hereafter in the Appendix.]

Mr. WHITTEN. Mr. Chairman, I yield 15 minutes to the gentleman from North Carolina [Mr. DEANE], a member of the subcommittee.

(Mr. DEANE asked and was given permission to revise and extend his remarks.)

Mr. DEANE. Mr. Chairman, in the first place I desire to express my sincere admiration for the gentleman from Mississippi [Mr. WHITTEN], who has served on this subcommittee with great distinction since 1945. The same admirable service is true of the gentleman from Minnesota [Mr. H. CARL ANDERSEN], the ranking minority member who has likewise served on this committee since 1954. I do not know two men who have worked more faithfully than these gentlemen, not only this year but past years, for the cause of agriculture.

The same sentiments are true concerning my other colleagues on the com-

mittee, the gentleman from Minnesota [Mr. MARSHALL], the gentleman from Kentucky [Mr. NATCHER], and the gentleman from Washington [Mr. HORAN], and the gentleman from Illinois [Mr. VURSELL].

We would be remiss in our duty here this afternoon if we did not highly commend our excellent executive secretary, Ross P. Pope who has constantly, painstakingly, and efficiently given us the information that we needed to try to build a good record.

As you read the hearings you will come to understand the policy and the programs of the Department of Agriculture. In some instances the information was pulled out of the witnesses from the Department through the painstaking questioning of the committee members. The record will, I feel, indicate some of the causes why the farm economy is on the downgrade.

The committee has worked long and faithfully. The written record of the hearings and the report indicate that if the officials of the Department of Agriculture will spend the funds made available under this bill with the same vision and enthusiasm as characterized the thinking of the members of this committee, there is a chance that the downward trend of American rural life can be reversed.

THE DEPARTMENT OF AGRICULTURE

I fear there is too much static in the Department of Agriculture. Several witnesses from the Department made splendid presentations, but too frequently they appeared to be operating under wraps. It is difficult to describe. In some instances there is a negative and defeatist attitude.

It is explained, I think, in some of the speeches made by the top people in the Department of Agriculture. For example: The Under Secretary of Agriculture has made a number of speeches and while he does not say so in so many words, the effect of his statements has definitely created the feeling that there are too many farmers and that one of the faults of price supports tends to keep marginal farmers in business. The philosophy of the Under Secretary, which is being felt back in the grassroots, is that it would be better if these marginal farmers went out of business and left it to the big efficient competitors.

ACTION IS NEEDED

What is needed in the Department of Agriculture is forthright action—a willingness to move out with bold ideas and programs. It appears from the record that much effort is being made to curtain and stifle existing farm programs that have proved to be what the American farmer needs and what he wants.

WHEN TO DOUBLE THE DEPARTMENT'S BUDGET

Frankly, I would like to see the Department of Agriculture come up with a budget request double the size of the present appropriations. That will never take place until the people in the Department of Agriculture who determine policies and programs come forth with an agricultural program that will challenge not only our farm people but all segments of the American economy.

COMPARING THE APPROPRIATIONS

The direct appropriations for the Department of Agriculture provided in this budget for 1956 total \$694,107,434 as compared with \$653,129,960 appropriated for the budget year ending June 1955, an increase of close to \$41 million. If we add the "loan authorizations" provided in this bill in the amount of \$388 million the "special programs" totaling \$184,517,957 and the "restoration to the impairment" of the Commodity Credit Corporation totaling \$1,634,659, you come up with the impressive point that we are spending for all agriculture services the meager sum of only 2.4 percent of the 1955 national budget of \$58,160,000,000.

COMPARATIVE BUYING POWER KEY OCCUPATIONAL GROUPS

I am convinced that the buying power of the American farmer will continue to drop unless the officials of the Department of Agriculture, farm leaders and the Congress decide that time is running out on the farmer and that bold and imaginative action must be taken.

The buying power of the average wage earner, the school teacher, the retail clerk and the businessman continues to rise. The farm owner continues to drop.

I direct your attention to the following analysis which reveals the comparative buying power of key occupational groups. You will note that the buying power of the farm owner continues at the bottom and that his estimated 1955 buying power is taking a serious drop of \$2.52 per week below 1954. In each of the other occupational groups, there is a marked increase in each instance.

Comparative buying power—Key groups

	Buying power per week ¹		
	1950	1954	Estimated, 1955
Oil worker.....	\$73.07	\$77.64	\$81.26
Machinery manufacturing employee.....	63.92	67.15	67.82
Railroad worker.....	58.12	62.27	64.41
Schoolteacher.....	56.63	61.28	64.25
Average factory worker.....	57.19	59.70	61.37
Retail clerk.....	46.92	49.02	50.21
Farm owner.....	42.10	39.63	37.11

¹ Bureau of Labor Statistics and Department of Agriculture.

FULL EMPLOYMENT DEPENDENT UPON PROSPEROUS AGRICULTURE

I challenged the Secretary on the above figures, especially the farm owner. He came up with the same figure if you will note his testimony on page 230 of the hearings.

Two simple facts stand out as you study this analysis. First, farmers are slipping backward while nearly all of the other occupational groups are moving forward. The second is that as farm prices continue this downward trend, wage increases in the principal occupation groups continue to rise. How long can the occupational groups now receiving much more than the farm owner continue to maintain their position? How much longer can the farm owner face this present price squeeze?

History reveals that we must have a prosperous agriculture economy to pre-

serve the employment of the people in the mills and the cities. When farm income began to move down in the 1930's the income of the people in the mills and cities dropped. Unemployment reached a total of 12 million people. The same common experience took place following World War II and I fear that we are entering a similar phase unless radical developments take place.

MARGINAL FARMERS AND EFFICIENT COMPETITORS

Earlier I referred to the philosophy of the Under Secretary of Agriculture who without any doubt has created the feeling that the time has come for marginal farmers to go out of business. He is telling them, if you will read the hearings on pages 228 and 229, to look for employment in the mills and in the cities. What about the great majority of these marginal farmers who have no other skill or training? The Under Secretary and his associates, I fear, have lost sight of the fact that we are a nation of small farmers.

NATION OF SMALL FARMERS

Take North Carolina. The extent and effects of this cost-price squeeze seriously concerns my State of North Carolina, a State of small farms and relatively low farm income, even in the best of times. Well over half the farms in North Carolina are less than 50 acres in size. In 1949, out of 194,000 commercial, full-time farms enumerated by census takers, only 3,000 reported farm sales in excess of \$10,000. Well over half of 112,000 reported gross farm sales of less than \$2,500.

Take the South. As a whole, 43 percent of all families on farms producing for commercial markets had family incomes from all sources of less than \$1,000.

I wish that I could report substantial increases in farm income since 1949 but the facts are otherwise.

Perhaps the best way to picture the cost-price squeeze in North Carolina is to analyze the situation for an average coastal plains cotton and tobacco farm. Unpublished data in the Department of Agriculture indicate that an average coastal plains cotton and tobacco farm is around 100 acres in size. A farm of this size will have 7 to 8 acres each of tobacco and cotton, about the same acreage in hay, 15 to 18 acres of corn, and 5 to 6 acres of other crops.

In 1947-48, a farm of this type had a gross income of about \$7,000 and production expenses of about \$3,900. Although the gross income was a little higher in 1953, increased production costs left the operator and his family with less net income in 1953 than in 1947-49. Data for 1954 have not been summarized at this date, but lower crop yields last fall caused farm income to drop in this area while continued high production costs brought the net income to the lowest level in many years.

Take the Nation. We turn now to the Nation as a whole. There is no doubt in my mind, and the statistics prove that we truly are a nation of marginal farmers. Eighty-two percent of the total farm families—or 4.5 million farm families—are earning less than \$5,000. Con-

sider with me what is the farm family income in America today.

FARM FAMILY INCOME

How would you define a marginal farmer in the eyes of the officials of the Department? Are the efficient farmers those who earn more than \$10,000 a year? If so, they represent only 3 percent of the farm families of America.

Here are the figures on the size of the farm families in terms of dollars:

In 1953, before taxes 57 percent of the total farm families or 3.1 million farm families were earning less than \$3,000.

For the same year 82 percent of the total farm families or 4.5 million farm families were earning less than \$5,000.

And for the same year 3 percent of the total farm families or 200,000 farm families were earning \$10,000 and over.

COMPARING PER CAPITA NONFARM AND FARM INCOME

The per capita income is the true criteria on how to measure the living standards. If we take 1953 dollars we find that the per capita income for nonfarm and farm income is as follows:

Year	Nonfarm	Farm income
1946.....	\$1,921	\$851
1953.....	1,970	709
1954.....	1,926	688

RELATIVE SIZE OF SURPLUSES IN 1954

It is not my intention to go into the price-support program in this statement. It is only incidental to point up the idea heretofore mentioned that a feeling exists all over the country that it is time for the marginal farmer to look for employment other than on the farm.

Where would he go?

I do not know what you would call the serious drop in farm income. I choose to call it a serious recession. Assuming that recession is the right word, what about the surpluses in other segments of our economy?

Take 1954. Would you say that the 28 percent of steel capacity that was idle in 1954 was a surplus? I certainly would.

What about total productive power other than farm production. In 1954 7 percent of United States total productive power was idle.

Now turn to farm production. Only 2 percent of the 1954 total farm output was not currently consumed.

Now some folks will tell the farmer to go into the city to find work. Generally he is not skilled in other occupations. What does he find—that 28 percent of the steel capacity involving all kinds of byproducts is idle and that there is a total idle productive power, also looking for jobs, totaling 7 percent.

In commenting on this situation, I was interested in reading observations in the report on the Conference of Economic Progress, composed of key economists, labor and industrial leaders, who pointed out:

That only agriculture is being told to help solve the problem of producing less, earning less, and eating less. If the farm population as a whole produces less and earns less, the individual farm family can avoid intense distress only if hundreds of thousands of farmers abandon their farms and rush quick-

ly into city work. But, where are they going to rush, when the surpluses in the city are bigger than the surpluses on the farm?

ARRAYING THE CITY WORKER AGAINST THE FARMER

As indicated by this wide disparity between what the farmer receives and what the consumer pays should be convincing that the farmer and the city worker have a mutual problem and they must stand together if an answer is found.

That brings me to this point.

I want to commend key labor officials for attempting to counteract the impression that has gained serious ground within the last 2 years in arraying the city worker against the farmer. The labor leadership in America is today speaking out boldly and even before committees of this Congress that the interest of the city workers and that of the farmer is one and the same.

I quote from a statement made before the House Committee on Agriculture a few days ago by Walter Reuther:

We have witnessed * * * a deliberate campaign * * * to persuade city workers that long-established Government programs to aid agriculture are the cause of high food prices. We of organized labor have been frankly shocked at the nature of this campaign.

He goes on to say that—

We also know that most of the price we pay for food does not go to the farmer and that the effects of price supports on prices we pay is very small.

The present unemployment totaling approximately 3,750,000 is in my opinion, to a large extent, traceable to the declining farm income. When farm incomes and prices fall to lower and lower margins, this multiplies unemployment and loss of business opportunities.

It should be made doubly clear that the city worker and the farm owner are in the same economic boat. The end of the boat in which the farmer is sitting is leaking badly. As the tide rises, the city worker and farmer will go down together. History proves that the welfare of one is the welfare of the other. The prosperity of one brings higher living standards to the other.

History is too recent not to recall what took place in 1918. The income of the farm earner reached a new level of earnings. The industrial worker was not far behind.

On the other hand, when farm incomes tumbled in the 1930's the income of the city worker followed and unemployment reached 12 million people.

The same experience took place immediately after World War II.

Are we entering another similar phase? Many informed people believe we are.

What about unemployment? Census Bureau figures show that unemployment rose from 1.6 million in 1953 to more than 3.2 million in 1954. In January and February 1955, 550,000 more full-time workers were unemployed. That means today we have 3,750,000 unemployed people. A hard-pressed agriculture has been forced to support some of these workers. At the same time, agricultural workers are being told from certain quarters to look for city work

instead of helping to produce the so-called agricultural surpluses.

I repeat, there is, in my opinion, a close parallel between the present low farm income and the rising unemployment.

CHANGES IN FARM AND RETAIL PRICES

A study of the changes in farm and retail prices indicate that instead of the farmer being in the lap of luxury he is suffering in all categories.

Over 90 percent of the foods purchased by consumers are domestically produced. Today consumers are paying higher prices than in 1947-49 while farmers are receiving considerably lower prices for their crops and produce.

There is shown below the changes in the indexes of prices received by farmers for groups of products and changes in the retail prices paid by consumers for the same groups of products in 1954 as compared with 1947-49:

Percentage change from 1947-49 to 1954¹

	Prices received by farmers	Retail prices paid by consumers
Dairy products.....	-8	+6
Wheat and cereal and bakery products.....	-9	+22
Fruits and vegetables.....	-4	+12
All farm food prices.....	-7	+13

¹ Bureau of Labor Statistics and Agricultural Marketing Service.

The analysis speaks for itself. It certainly dispels once and for all that the farmer is reveling in the lap of luxury. At the same time, the farmer is very much concerned with what the consumer is having to pay for what he buys.

If we take all farm and food prices, which includes tobacco, cotton, feed grains, and forage crops for 1954 and compare with the period 1947-49 the farmer is receiving 7 percent less while the consumer is paying 13 percent more.

INVESTIGATIONS

The committee last year followed up the appropriations with a careful study in certain divisions of the Department of Agriculture. This investigation was most worthwhile. The Department can expect additional studies by this Appropriations Committee. This committee wants to see the funds made possible by this budget put into aggressive action. We do not want money spent unwisely, but we do expect dispatch and imagination in the spending.

This is no time for revising regulations, setting up road blocks to sound farm programs which have meant so much to American agriculture. The Department needs to start thinking and planning for the "marginal" farmer who represents 82 percent of the total farm families or 4.5 million farm families in America today.

This is no time to write reports to be filed, never to be read. What is needed is imagination and action.

INCREASED BUDGET REQUESTS

It is most unusual for an Appropriations Committee in so many instances to appropriate more money than is requested by the Bureau of the Budget. That is true of this budget. It was dis-

appointing to members of our committee to note that the action programs in the Department of Agriculture, which have done so much to improve the position of the farmer, would have been seriously curtailed under the budget requests.

I refer to the following:

We increased the Soil Conservation Service by \$2,916,379;

The Market News Service and market inspection by \$395,000;

The school lunch by \$15,236,197;

The plant and animal disease control programs by \$496,000; and

The watershed protection and flood prevention by \$2,300,000.

In addition there was a \$5 million increase in the REA program which will enable the telephone program to continue at the same level as authorized in 1955.

The contingency fund for electrification loans was increased by \$65 million.

SUGGESTING REMEDIES

It is very easy to discuss the farm problem. It is quite a different matter to give an answer. With that in mind, Mr. Chairman, I invite your attention to the following suggestions which I feel are a "must" if we find the answer to the current pressing problems facing American agriculture.

First. As a Member of Congress I want to assume personal responsibility for this serious farm problem. The time has come for action. Responsibility must be faced, not only here in the Congress, but in the executive branch of the Government.

Second. This Congress should initiate at once a congressional investigation of the price squeeze the farmers face. While the prices of farm produce received by the farmer has declined 12 percent in the last 2 years, there continues to be a marked increase in the market and processing charges as computed by the Agricultural Marketing Service. I give you the percentage increase being paid by the city worker:

Marketing margin on foods bought by an average urban wage earner or clerical worker family, percentage increase 1947-49 to 1954¹

	Percent increase
Meat products.....	17
Dairy products.....	26
Poultry and eggs.....	2
Bakery and cereal products.....	30
All fruits and vegetables.....	8
Fats and oils (decrease).....	-13
Miscellaneous products.....	7
Total market basket foods.....	15

¹ Agricultural Marketing Service.

On page 18 of the committee report, we have directed the Department and earmarked \$1 million of the funds provided under this heading to be used for a special study of the price spread between the farmer and the consumer. According to figures received from the Department, the farmers' share of the consumers food dollar has been decreasing constantly—from 54 percent in 1945 to 43 percent at the present time.

The committee expects the Department to come up with an answer to this wide marketing margin of foods bought by the city workers.

While we expect the Department to come up with an answer, it is my opinion that an independent congressional investigation is imperative. The Congress is in a better position to determine why it costs more to get some of our farm produce from the Hudson River to the consumers in the New York area than it does to raise and ship the same produce grown in the West to the same New York area.

Third. The various States were very eager to see increased appropriations given for research. For research the committee is appropriating \$37 million. A great deal of this sum goes to the various States. I ask the question: Are we creating more and more jobs at the State level? The limitation of time prevented a full analysis of the results of the research program at the State level. We know that much has been accomplished. While we need research we presently need more imagination from the State level on marketing.

It is time the States began to come up with answers to the rapidly declining farm income and price squeeze facing the farmer. Are the States really interested in the marginal farmer or have they, too, been captured, along with certain farm organizations, with the idea that the day of the marginal farmer is gone? I challenge my own State officials to come to grips with this problem in a realistic way.

Fourth. We read that the administration is thinking in terms of a \$2 billion program of aid to countries of Asia. My position will be that before I vote for such a program the administration will have to take forthright steps to move our farm commodities into world trade at competitive prices. That will do more to aid backward countries than all the State Department planning. Dollars will not reach the hungry millions. They want food. Currency problems can be solved if the administration wants to solve the problem. The executive branch should stop dragging its feet in moving our products into world trade.

Today America is the greatest surplus-producing nation in the world. We must export our produce and our manufactured goods. Trade must move freely. There were certain off-the-record comments by Mr. Samuel C. Waugh, Assistant Secretary of State, on this world-trade problem. I am not satisfied that the State Department—as was true of the former administration—is being realistic on this subject.

The action of our committee in earmarking the sum of \$2 million to set up a sales organization within the Commodity Credit Corporation to dispose of our farm surpluses is a great step forward. We have placed the responsibility for the disposal of these surpluses where it belongs. Will the CCC have the courage to act?

Fifth. The farm groups of this country should support the increase in the Federal and State minimum-wage laws. The President is recommending an increase of the Federal minimum wage to 90 cents per hour. As of February 9, the Department of Labor estimates that 1,300,000 workers now receiving less than 90 cents per hour would receive a wage

increase if the minimum wage is increased to 90 cents per hour. This would represent an average increase of 9 cents an hour or \$180 per year, an increase in the purchasing power of these 1,300,000 workers by \$234 million.

Sixth. I indicated previously Mr. Chairman the increased buying power in the amount of \$234 million that would come to 1,300,000 workers if the Federal minimum wage was increased to 90 cents. It is my feeling that each State should adopt a sound minimum-wage law. There is no way for our committee to gage what this would mean in increased purchasing power involving farm produce. But it is readily apparent that it would mean a tremendous increase in the purchasing power in every State and would have a direct effect on our farm economy. A State by State minimum-wage law would in my opinion not only wipe out the current 2-percent farm surplus that is not currently consumed but the farmer would have to greatly increase his production. Let us think and plan for our growing economy and stop roaming around in the wilderness.

Seventh. If business wants to prosper, if the wage earner wants to keep drawing his paycheck, it is time that the business leadership and the editors of this country join the labor leadership in a campaign of truth and correctly tell the story of the serious plight of American agriculture. The whole story has not been told. All you hear and read about is the great farm surplus. The press, and the chamber of commerce, are not telling the American people that only 2 percent of the year's farm output is not being currently consumed.

What I am trying to say, Mr. Chairman, is let us be absolutely honest with the American farmer. Tell his story correctly. The spokesmen for agriculture should stop kidding themselves with sweet words that 1955 will be a better year for the farmer. Unless the truth is rapidly given widespread publicity and forthright action taken, we face a serious depression in agriculture.

Eighth. The budget for the Department of Agriculture represents only 2.4 percent of the total national budget. With a growing economy we cannot expect to do the job that must be done if the Agriculture budget remains on that percentage basis. Recognizing the farm economy as the basis of our entire economic structure I call upon the officials of the Department of Agriculture and their counterparts in the various States to challenge the Congress and the American people with the true story of the marginal farmer. They should come up with a national prosperity budget for agriculture instead of depressing the marginal farmer, which is the impression I gained, and I think you will also, if you will objectively read our hearings.

It is high time that the officials of the Department of Agriculture who are charged primarily with the responsibility for the downdrift in the farm economy admit that a serious farm problem exists and propose during this session of Congress concrete methods to arrest a further decline in the prices of farm products, which have declined 12 percent in the last 2 years.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. DEANE. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. I am glad the gentleman brought up this point about not being too concerned about surpluses, even though that may appear to be quite evident upon our agricultural economy. After having seen the hundreds of thousands of refugees in Israel, in Syria, Jordan and Lebanon, and in Pakistan and the starving millions in India, I think we in this country can be very fortunate that we do have a surplus of food, because if ever the time comes when we get to the point where we do not produce enough for our own people to eat, then these people will have a right to worry.

Mr. DEANE. I thank the gentleman. I mentioned that point about surpluses, because it seems to me that only the farmer is being told to solve his surplus problem. I do not think the full truth of the farm program and these surpluses is being told by the American newspapers of this country and by the chambers of commerce. The time has come when the farm program and this surplus be placed in the right perspective. I feel that this is something we should think about; that the farmer continues to show a minus sign and, regrettable as it is, on the part of the farmer, to see the consumers in the city having to pay for all farm crops 13 percent more.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. DEANE. I yield to the gentleman from Ohio.

Mr. VORYS. Can the gentleman tell us how much steel was produced and was unsold and how much industrial production was produced and unsold, because then it seems to me we will have a problem comparable to the farm problem.

Mr. DEANE. I will answer the gentleman by saying that in 1954 28 percent of the steel capacity was idle, or we could call it a surplus, and only 2 percent of the total farm income was not consumed.

Mr. VORYS. Well, the comparison would be how many of the farm acres were standing idle under quotas or other arrangements.

It seems to me that the gentleman is comparing two different things.

Mr. KING of Pennsylvania. If the gentleman will yield for a moment, we should ask Mr. Reuther the question the gentleman just put.

Mr. ELLIOTT. Mr. Chairman, will the gentleman yield?

Mr. DEANE. I yield to the gentleman from Alabama.

Mr. ELLIOTT. I want to ask the gentleman this question, and say by way of preface that I think he has made a very fine and able statement of the problem. My question is this: Many articles I have read recently have asid that the farmer ought to leave the farm and go to the city, in effect, to get a job. What job is available for him in the city, according to the research the gentleman has done on this problem?

Mr. DEANE. That comes to the matter of the point I was trying to make. Let us start a campaign of truth. Let us ask the Nation's press, the farm organizations, the chambers of commerce, business groups, and every organization that is interested in the farmer, to tell the complete story. First of all, that 82 percent of the American farmers are earning less than \$5,000; that we are a Nation of small marginal farmers; that the farm owner is at the bottom of the economic ladder in weekly buying power, and that his estimated 1955 weekly buying power will be \$2.52 less than 1954, while all other occupational groups are increasing; that the true picture of surpluses be told and particularly that only 2 percent of the 1954 total farm output was not currently consumed and that we should begin to think of a positive floor under the farm owner that will stop the economic downward trend of his income.

Mr. SCHWENGEL. I appreciate what the gentleman says about the increases. There is one particular point that I want to check up on a little bit. How much of an increase is involved in this \$37 million for research?

Mr. DEANE. On that particular item, there was an increase. I yield to my chairman, the gentleman from Mississippi [Mr. WHITTEN] to give the exact amount.

Mr. WHITTEN. There is something in excess of a million dollar increase there. It is about \$1,124,000. The bill approves that much of an increase. There was some reduction due to the flora Dominica work and various other projects, the soundness of which was questioned by the committee. If that research is being discontinued, there is not much point in giving them the money for it.

Mr. BOW. Mr. Chairman, the criticism of the Commodity Credit Corporation program voiced in the committee report on the Agriculture Appropriation bill may be the voice of the majority members of the committee, but I wish it clearly understood that I did not and I do not concur in this political attack upon the Secretary of Agriculture.

First, let us make it entirely clear that the farm law under which we are operating at this time, and under which production was increased, Government purchases soared to unmanageable heights, and acreage controls became necessary is the program adopted by the party which is now so critical of the surplus problem.

The 1954 farm law advocated by the present Secretary of Agriculture is only now going into effect.

As so we have here a group of men sponsoring a program to encourage production, providing a method for the Government to buy and store excess production, insisting upon the continuation of that same program, yet directing a political attack against a Secretary who had no responsibility for creating the problem and is doing his level best to solve it.

The committee majority speaks glibly, page after page, and a bit repetitiously, I might add, about selling Government surplus stocks competitively in the world market. They would like us to believe

that the Commodity Credit Corporation is deliberately holding on to its surplus stocks in order to have a reason for reducing acreage here at home. The majority wants us to believe that some Machiavellian trait in the Secretary causes him to rejoice in the application of acreage controls that have reduced the production and therefore the income of certain farmers. They see a political motive in his program.

The fact is, as everyone here knows in his heart, that the Secretary of Agriculture is an honest and upright man, and about as inexperienced and disinterested a politician as ever sat in the Cabinet since the mind of man runneth not to the contrary. I doubt that he has ever done anything for a political purpose. Some of us who are in the same party sometimes wish that he were more interested in politics.

All of us know that the Secretary abhors controls on the farmers of America. He accepts them as a part of the law he is called upon to administer. It is rank hypocrisy to say, as the majority has, that "as a result of the Secretary's order curtailing cotton acreage, more than 55,000 farm families in the South have been put off their farms." Of course the Secretary issued the acreage control orders, but he did so because the law enacted by his present critics required him to do so. If anyone is to be blamed for the 55,000 cotton farmers who no longer have sufficient acreage to make a living on the farm, the blame must rest right here in Congress and in the earlier Secretary of Agriculture who sponsored the rigid support law and who refused to take timely action when surplus commodities began to pile up.

If we are looking for political motive, we need look no further than the office of the National Farmers Union where sits the former Secretary of Agriculture, Mr. Charles Brannan, who for political motives refused to reduce acreages when he should have done so, and thus began the downward spiral of farm prices. By his callous disregard for the law and the welfare of farmers, his refusal to take politically unpalatable action, he did much to create the tremendous problems that faced Mr. Benson when he took office.

Now to the meat of this argument.

The committee majority report states that all CCC stocks should be offered on the world market at competitive prices. They say this would permit a resumption of our former high level of production and return their 55,000 cotton farmers to the farms.

What would happen if we followed this advice? What would happen to our regular cotton exports? What would happen to the world price?

The answers should be obvious. If our Government were to offer for whatever it could get its present huge stocks of cotton, it would in effect be engaging ruinous competition with our cotton producers. Placing Government stocks on the world market would depress world prices. It would increase the difference between domestic and world prices. It would mean that foreign buyers would first buy all our Government stocks, be-

cause they could get them much cheaper, and it would mean that the new crop of cotton instead of going into world markets at a profit would go into Government storage. It would mean more cotton moving through Government warehouses, higher administrative costs, and little if any net gain in total exports of cotton.

The majority criticizes CCC for being a residual supplier of cotton on the world market—for selling only after the normal and usual private channels of trade have exhausted their supplies. What else may CCC do, unless it wishes to compete with our own exporters? Despite the reaction of certain members of the committee, I believe the role of the CCC as a residual supplier is the role that the cottongrower and handler wants CCC to fill.

The Department is working diligently to increase exports from CCC stocks without the disrupting effects the committee program would entail. As Under Secretary True D. Morse recently pointed out, exports are indeed increasing. We exported some 3.2 million bales in the 1953-54 year, and he estimated 4.5 million bales for the 1954-55 year. Agreements are being negotiated under Public Law 480 which should further increase these exports, not only of cotton but of other surplus commodities for which there is a demand abroad. For example, an agreement with Japan will send additional Government-owned cotton to that nation, but only in addition to its usual and normal trade requirements. In this way exports are increased without upsetting private markets and trade.

In the RECORD of February 2, on page A604, I introduced a statement on this subject including an explanation by Mr. Morse of exactly what is being done with regard to each commodity.

It is ridiculous to blame acreage reductions and support price reductions upon failure of CCC to move the commodities it has acquired. Certainly the expansion of foreign markets will contribute to the solution of the farm problem, but the committee has tried to reverse cause and effect. If there were any readily available way to dispose of these commodities, CCC need never have acquired them in the first instance.

I regret very much that the majority of the committee has used the report on this bill as a vehicle in the political attack upon Secretary Benson. It is an unwarranted and unreasonable attack upon a public servant who is doing his best, honestly and sincerely, to help the Nation's farmers through a very difficult period. There may be, and in fact I have found, reason to criticize the Agriculture Department, but what we are discussing today is not a valid criticism.

With regard to the bill itself, I believe it is on the whole a good measure, and will support adequately the requirements of the Department. Additional funds for research and for soil and water conservation, if properly used, should constitute a real contribution to the long-term welfare of the farmers and the Nation itself. I have personal knowledge of the good work that is being done by the ex-

periment station at Wooster in my district, by the Extension Service there, and in the soil and water program.

Mr. H. CARL ANDERSEN. I yield 20 minutes to the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Chairman, I am somewhat at a disadvantage being the fourth speaker, and of necessity there may be some repetition. But once in a while repetition is a good thing to drive facts home. I think it is well that we have been engaged in this sort of debate today, and I want my good chairman, the gentleman from Mississippi [Mr. WHITTEN] to know that we all personally are his friends and admire his ability, and when we seek to check him, it is only to keep him on the right track because he is such a valuable Member.

Mr. Chairman, while the subcommittee is very largely in agreement on the amount of funds provided for the various activities to carry forth the work of the Department of Agriculture for the coming year, I must say, speaking for myself, I am not in agreement with the numerous criticisms made in the report directed against the Secretary of Agriculture, Ezra Taft Benson, and his staff.

I think everyone feels that Secretary Benson has given his conscientious best in service to those engaged in agriculture, and to the people of the Nation—that no one questions his honesty and purpose, and certainly no one would question his courage. I cannot believe that anyone who knows the facts would accuse him of political expediency in the direction of his Department. He has a hard job, that has become more difficult throughout the years, because others failed to come to grips with the pressing problems surrounding agriculture.

Mr. Benson did not write the law that is responsible for the mountain of surplus commodities that are now hanging over and depressing the farmers' market. He did not write the law that makes allocation and controls necessary. He is only trying to carry out the will of the Congress, which is responsible for the legislation that has helped to bring about the conditions now prevailing in agriculture.

He cannot be blamed for a program which started as a World War II emergency, offering incentives for greater production, and which 10 years after the war is over, such incentives have not been modified and are still in force, which are responsible for the billions of dollars of surplus farm products now overhanging the market, which have brought about the present chaotic conditions.

Mr. Chairman, since the chairman of our committee has charged the Secretary of Agriculture with not selling enough surplus commodity products on the competitive market, and since he has raised this question at various times, and again today on the floor of the House, let us take a look at how well cotton has been taken care of, from a legislative standpoint, for the past several years.

The cotton industry, more than any other commodity group, has had virtually a free hand in writing and directing its own price-support program. For 20

years the cotton States have been heavily represented on the Agriculture Committees of both the House and Senate, and no one objects to that. The cotton legislation now in effect is the handiwork of the cotton State Congressmen.

Now, in 1955, cotton is still being supported at full parity under the law, even though the cotton carried over is expected to reach 9.8 million bales next August 1, more than a full year's domestic supply. It should be noted that this carryover has increased during the year in which acreage allotments and marketing controls have been in effect. We sold last year on the open market 3½ million bales of cotton and expect to export 4½ million bales.

We have been told repeatedly that cotton producers are willing to accept the harsh production controls, which are a part and parcel of high price supports. Now, when the time for rigid controls has come, however, these same spokesmen advocate our dumping of surpluses abroad, in order to justify increased cotton acreage and production.

Such a policy would, of course, only bring new surpluses, and presumably new demands for further dumping operations. We are now told by the very people who have been advocating high price supports for cotton, that American cotton prices are too high, are holding cotton off of the world markets, and thus has encouraged increased production in other countries.

Mr. Chairman, instead of taking part of the blame for this situation, the advocates of high-price supports for world cotton now seek to fasten responsibility upon Secretary Benson and the present administration, which has only carried out the legislative wishes of the cotton State Congressmen.

Mr. Chairman, they urge that more cotton should be put on the market at competitive prices while, as a matter of fact, the Secretary of Agriculture has been encouraging the sale of American cotton in world markets at competitive prices, and is still doing it. The fact that the United States has sold several million bales of cotton for dollars, through regular commercial export channels, is proof that our selling prices have been competitive.

This normal trade might be halted overnight if the United States let it be known that our policy henceforth would be to offer cotton overseas at whatever price it would bring on a bid basis. The Commodity Credit Corporation could expect to acquire several million more bales under such a sales policy.

Mr. Chairman, Secretary Benson explained fully the policy he is following, in testimony before our committee. He and his advisers, including some of the ablest men in the production and marketing of cotton, has been fearful to follow the policy advocated by our chairman, Mr. WHITTEN, fearful that if they did follow it, they might break the world market to a point where it would lower the domestic market, doing great damage to all the cotton producers and processors in America.

The policy of Secretary Benson is to encourage export of all of the American

cotton, or other farm products, the world market will take, without destroying the world market, and demoralizing the domestic market. Secretary Benson knows if we were to follow such a policy, we might develop a situation under which the Government, through the Commodity Credit Corporation, would be selling practically all of the cotton at a much lower price abroad. He said:

We might have in effect an export subsidy program for cotton without the name.

I think it is fair to say that such a plan for cotton might raise havoc with our domestic industry. The finished cotton goods of our mills would then have little chance to compete in world markets against goods produced in foreign countries from much cheaper cotton. Not only that, we would see a flood of foreign textiles taking established domestic markets away from our local mills.

American textile mills, already at a serious disadvantage because of wage differentials, could not hope to compete with foreign producers enjoying both cheap wages and cheap cotton.

Mr. Chairman, the bill before us for consideration today, to provide appropriations for the Department of Agriculture for the coming fiscal year, is the result of weeks of hearings before our appropriations subcommittee of agriculture, where volumes of testimony were taken in support of the amount of funds requested herewith.

The bill was reported to the full committee by unanimous vote of our subcommittee members, and it also has received unanimous approval by the full Committee of the House on Appropriations.

Realizing the importance of a healthy agriculture to the entire economy of the Nation, and further realizing that farm prices have been depressed to the point that the farmers' net income has not kept pace with the general prosperity prevailing in almost all other industries, our committee, in the hope of rendering what aid we could to stimulate a higher level of prosperity for the farmers who have been caught in a price squeeze for the past 3 years, has thought it wise to be rather liberal in an effort to be helpful.

This bill carries for the regular activities of agriculture, under title 1, as you will note by the comparative table in the report, a total of \$694,107,434, which is an increase over the amount appropriated in 1955 of \$40,977,474. I should like to point out that this total includes \$15,236,197 for the school-lunch program, bringing it up to the amount allowed in 1955 of \$83,236,197.

REA FUNDS

For the extension of rural electrification, we increased the appropriation over 1955 from \$135 million to \$160 million, and we increased the budget estimate request for REA telephone by \$5 million, bringing it to a total of \$75 million, the same as was allowed last year. For both of these services, the total increase is \$25 million over 1955.

We increased the contingency loan fund for REA from \$35 million to \$100

million, which the committee feels will adequately provide for any emergencies that arise in the coming year.

SOIL CONSERVATION

Fully realizing the great importance of soil conservation to the farmers, and the responsibility of this committee and the Congress to agriculture and the farmers, we appropriated \$214,500,000, which will aid them in carrying out soil practice compliances, under which our farmers are reimbursed for same over a wide field, covering seeding, contour plowing, sod waterways, fertilizers, dams, ponds, and so forth, under the agriculture conservation program. This does not include \$80,612,579 for the extension of watershed protection and other conservation operations of great benefit not only to the farmers but to the entire posterity of our Nation, because the conservation of our soil is of such great fundamental importance for the generations to come. It is the responsibility of the Congress to assist in the conservation of the soil in cooperation with the farmers, so that we may leave the productive capacity of the soil better, if possible, to supply adequate food for the constantly increasing millions of our population. Posterity demands it.

RESEARCH AND EXTENSION SERVICE

The current pressing need in agriculture is to cut costs, expand markets, and find additional uses for farm products. That is what research and extension service does.

Mr. Chairman, this service is so important to the farmers, and consumers as well, that I want to give these items a little extra time. These services have done so much more for agriculture, and for the consumer as well, that I feel they should be better understood by the Members of Congress, some of whom in their busy fields of legislative work do not have the opportunity in their committees to secure the information on these two wide fronts that are brought to our Appropriations Subcommittee for Agriculture. These services have not only helped the farmers, and our entire economy, over the past several years, but offer at the present time great aid to the farmers during this price squeeze.

The Secretary of Agriculture, Mr. Benson, and the farm organizations, realizing the need for accelerating the beneficial work coming from scientific research, and the need for the extension service in cooperation with the land-grant colleges to carry the information gained through such research to the farmers, have wisely urged an increase in the appropriations for scientific research and extension service.

FOR RESEARCH

Your committee, after hearing detailed and convincing testimony upon these requests, has recommended for total agricultural research, carried in different sections of the bill, \$71,448,000 exclusive of forest research.

EXTENSION SERVICE

The total for extension service in this bill is \$48,895,000. These figures in each instance are just about the amounts requested in the budget.

RESEARCH AND EXTENSION SERVICE PAYS BIG DIVIDENDS—HYBRID CORN

Illustration No. 1: After many years of scientific research, which cost perhaps \$15 million spent by Federal, State, and private resources, a hybrid corn was developed which has added at least \$750 million annually to the value of farm production, and the farmers benefit by over three-fourths of a billion dollars each year in the future, a tremendous return on the small investment.

SOYBEANS

Illustration No. 2: In a relatively few years, by the use of scientific research and the extension service, the areas of soybean production have been greatly expanded. Soybeans have been greatly improved with the average yield increased by over 5 bushels per acre, and the oil content per bushel increase by 1½ pounds.

The National Soybean Improvement Council estimates that 1 extra pound of oil per bushel is equal to \$40 million a year added to the earnings of this crop, and that the 5 bushel per acre increase in yield totals \$150 million additional in crop value for the farmers.

A relatively small amount of Federal and State funds has been spent in the past few years to bring about this tremendous production wealth from soybeans.

LIVESTOCK IMPROVEMENT

Illustration No. 3: Through only a few years of scientific research designed to increase milk production and improve dairy herds, artificial insemination has produced undreamed of results. For a small fee the farmer can have the benefit of the best germ plasma in the country. Heretofore he was limited to the kind of bull he could afford to buy or rent from his neighbor.

Research has proven and demonstrated the value of production-proved sires and provided the means of identifying them in a herd. In practically every dairy section of the country today thousands of farmers are capitalizing upon these discoveries through the use of production-proved milk strain bulls.

BIG PRODUCTION INCREASE

In 1953, the million cows enrolled in the Dairy Herd Improvement Association averaged about 9,250 pounds of milk annually, compared with the national average of 450 pounds. It is almost impossible to compute the hundreds of millions of dollars that the farmers will receive in benefits in the years to come, which will increase in benefits each year in the future. Research develops this information, and the extension service helps the farmer to apply and gain the benefits resulting from the scientific research.

BACON HOGS

Illustration No. 4: Another step forward in livestock production that shows how research and education work hand in hand is the development of meat-type hogs. Many farmers today are turning to the production of hogs that carry less lard and more of the lean cuts that most people prefer, and farmers are beginning to collect market premiums, as packers

realize the meat-type hog yields a more profitable carcass. In numerous cases you can see how research has paid off on farms.

POULTRY IMPROVEMENT

Illustration No. 5: Scientific research has developed faster growing chickens and turkeys, better ways of controlling diseases, and more nutritious poultry feeds have made the broiler industry an \$800-million-a-year business. Twenty years ago, it was worth only \$18 million annually. The increase gained in poultry nutrition is amazing. Ten years ago a 100-pound bag of feed produced 25 pounds of poultry meat; today, it produces 35 pounds of meat. Not long ago it took 13 weeks and 10½ pounds of feed to produce a 3-pound broiler. Now it takes 10 weeks and only 8 pounds of feed—a great gain to the farmers.

ANTIBIOTICS HELP

Scientific research combined Vitamin B 12 and antibiotics to help do the job. Scientific researchers coming before our committee state that research on antibiotics alone is saving poultry producers \$100 million worth of feed a year. These results obtained, in numerous instances, at the cost of only a few million dollars a year spent by the Federal Government, help the farmers to greater profits through research and extension service.

The development and use of a chemical—phenothiazine—at a small cost saves the farmers \$10 to \$15 million a year in livestock production. Most farmers are familiar with this chemical to destroy internal parasites of hogs, sheep, goats, horses, and cattle.

THE SCREW WORM

Illustration No. 6: The screwworm which burrows into the animals' hide and causes \$20 million a year damage to southern livestock farmers may have reached the end of its rope. Scientists have found means to eradicate the screwworm fly, and in a recent test on an island in Dutch West Indians they eradicated in one application practically all of the flies on that entire island. Plans are now in the making to attack this screwworm fly in Florida, and other southern States, through this same procedure.

These are only a few of the numerous instances where scientists have developed effective insecticides which are constantly being used to combat the insect scourge, saving the farmer's crops. Agricultural chemicals are assuming a greater importance in the fight against destructive insects, doing great damage to farm crops.

MARKETING RESEARCH

Illustration No. 7: Achievement of marketing and extension education does not stop at the farm gate. It goes on through the utilization of marketing of the farmers' commodities.

Advances in transportation, refrigeration, merchandising and preservation, or enhancement of quality, have been coming to the front rapidly. We can see the result in any kitchen in the American home.

ORANGE JUICE

Illustration No. 8: We are so used to orange juice for breakfast made from

frozen orange juice concentrate, it is hard to believe 10 years ago there was no such thing. Joint research by the Department of Agriculture and industry brought about the change. Last year the frozen orange juice concentrate industry used more than half of the Florida orange crop. The scientists have also developed an orange juice powder that can be stored on the kitchen shelf without refrigeration. The powder is now in commercial production. Other fruits and vegetables are also being processed in these forms. Think what this means to the citrus farmers, and its benefit to the health of the consumers.

DRIED EGGS

Illustration No. 9: Thanks to agriculture research, we now also have dried eggs that taste like fresh scrambled eggs, and store well at high temperatures. This research has put commercial cake mixes, containing eggs, on every grocery shelf in the Nation.

These advances will help to relieve the overproduced egg market that is now depressing the farmers' market.

SURPLUS FATS

Illustration No. 10: Here is another incident in which research is helping to relieve a surplus. About 40 million pounds of inedible fats and oils, thanks to scientific research, are now being used annually in the manufacturing of plastics, and in the hot-dip tinning of steel. About 25 million pounds of tallow are currently going into the making of synthetic rubber. The biggest new-found use for farm products, so far, however, is in animal feeds, which are taking about a quarter billion pounds of feed annually. This expanded market, developed through research, has helped bring a better price for inedible fats in the last 2 or 3 years.

MARKETING RESEARCH

Research continues to help and protect the cotton farmer, not only in increased production, but by furnishing him new markets. You can now buy cotton fabrics that resist rot and mildew, that are flameproof and at the same time washable. New weaves make cotton materials resist water—or hold water, whichever is desired. The market places for farm products are slowly taking on a new look because of the effects of research and education. Better marketing facilities are helping to cut down the losses that occur between the time fresh fruits and vegetables leave a farm, and the time they reach a consumer.

Scientific research is developing other savings in marketing fresh fruits and vegetables. Through reducing the cost of icing tomatoes, producers are saving \$35 to \$40 a car, and losses from chilling have been reduced by 20 percent. One large supermarket last year estimated savings at \$90,000 in tomatoes shipped from the west coast.

Research in marketing is also showing how to cut costs in handling. At every step of the way, farmers benefit thereby. The development of a high piler has reduced by 80 percent the labor required to stack 1,000 bushels of apples, and 100 apple-packing plants are now

using this equipment, at a saving of \$150,000 a year to the farmers. Similar savings and improvements are being made in the marketing and utilization of many major crops.

These examples I have cited represent only a very small fraction of the story that can be told about agriculture research in cooperation with the Extension Service.

An efficient agriculture is the foundation of our national strength, and an aggressive full-scale continued research, backed up with a full program of extension and education, added to our soil-conservation programs, is the bedrock on which our agricultural foundation rests.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield.

Mr. WHITTEN. May I say I appreciate the kindly reference to me by my friend, the gentleman from Illinois. I agree with him about the Secretary of Agriculture. There is nothing in the report making any such accusation. Reference is made to the fact that political considerations have had to do with the policy—and that is true. I think if you will check the record you will find that is true. The word "politics" was not intended to have any such connotation. My whole report was directed to the operations of the Department of Agriculture. I have not a word of difference with the gentleman's description of the Secretary of Agriculture. My relations with all these men have been cordial. They are good people. They are good men. I do not think anyone can work with the operations of the Department, like the Department of Agriculture, on all these programs as long as I have without having some decided opinions as to how they should be run.

Mr. VURSELL. I am quite sure that the gentleman did not mean that, but I am so enthusiastic about the high esteem in which the Secretary of Agriculture is held with the people generally and by the farmers of this country that that was my own contribution when I said I am sure no one would question his honesty of purpose, his integrity, and his courage.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. Briefly; my time is limited.

Mr. WHITTEN. I would just like to note that this is the program the Department developed. I do not think their own record will sustain it, but they make it—I may be wrong—but does the gentleman think we can produce and not sell competitively?

Mr. VURSELL. The answer to that question is that we find ourselves in a constant dangerous worldwide economic situation where for 20 long years this problem has been builded up. This incorrigible, unmanageable situation has finally met the Congress and the present administration face to face. Shall we use the best brains and the best business and the best diplomacy since we are making great progress, since we are increasing month by month and year by year exports abroad, shall we have a little patience, a little more courage, and see if

we can move this surplus sufficiently to ease our situation here at home? Or shall we put too much of it on the world market, on the bid basis, destroy the world market, break it, punish the farmers all over the country, punish the cotton producers all over the country, put world trade in a position where the millions of bales of cotton we have bought we must continue to store and take billions of dollars of loss? In such case the cotton producers and those engaged in this great industry, people who make such a contribution to the economy of our country, will see their markets destroyed and see this dire fate overtake them, and we find ourselves in a worse plight than we are in now?

I simply say that we ought to think this out carefully and courageously try it out and then if we have to, get to the position of which the gentleman has been such an excellent exponent, then if we must, take the results whether they be good or bad. That is my answer.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield.

Mr. HALLECK. I have listened with great interest to the gentleman from Mississippi in respect to cotton. I have been down in his country a number of times and through all the places where cotton is raised. I am glad I have had an opportunity to see that operation because I think it helps me to a better understanding.

But I think this is a significant thing in his argument, if I gauge it correctly: What he is now contending is that our present policies have in effect priced American cotton out of the world market, and in that process we have lost a lot of our export trade to new cotton grown in other areas.

The only regret I have is that somewhere back along the line there was not a little more attention paid to the adverse effect in respect to our competitive situation in the world market for cotton, because for years cotton has been on an export basis, and if there is to be a continuation of any high level at all of cotton production in this country we have got to maintain that export base.

Mr. VURSELL. I think the gentleman is quite right.

I have been thinking back today when I heard the name of Will Clayton. He was one of the great exponents of foreign trade, reciprocal trade starting in with free trade. He developed such importance that he was, I believe, Under Secretary of State for quite some time. So brains and efforts have been put into the development of this problem that have come to haunt us today, over the past 20 years. We cannot hope to solve it in the first 6 or 8 months of any administration whether it be a new one or an old one.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield.

Mr. WHITTEN. I would like to point out that the Congress did recognize those things, for in creating the Commodity Credit Corporation and in providing the law they provided sales in the United States at the support level plus carrying

charges. They provided for sale in world trade at a truly competitive level. It is the board of the Commodity Credit Corporation, of which the Secretary of Agriculture is a member, that has made the support level the world offering level.

We have used cotton as an example here, but the theory applies to almost a billion dollars worth of corn that we have on hand that has not been offered in world trade on a competitive basis, and the tragedy is that in selling it we depress the world price, and in holding it we count it in our production and it cuts down the domestic price. So the farmer gets it from both directions.

Mr. VURSELL. I cannot yield further, but I do respect the gentleman's ability and judgment.

The question is whether you want to take this gamble and give the opportunity to foreign markets to buy cotton at a cheaper price in the world market and help bring that price down. Much of the world's cotton is produced with cheap labor. That means cheaper cotton. Then they not only penalize our Government through the commodity support prices we have to give under domestic laws but they will penalize the industries of this country and be able to flood our country with manufactured products from abroad displacing labor as well in this country.

So while I appreciate the argument of the gentleman from Mississippi, we had better be patient, we had better take another year or two to try to unravel this mess that has been built up during the last 20 years. We have been doing pretty well. We have been in a lot worse shape in this country than we are today.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. I want to call the attention of the House to the fact that during a discussion in the hearings, on page 2136, I personally made this comment while we had the Rural Electrification people before us:

I want to assure the REA at all times the right to have sufficient funds to make loans for generating and transmission purposes if they need such loans so as to assure them an ample source of energy at a reasonable rate.

I want to say that the gentleman from Illinois [Mr. VURSELL] backed me up in these words:

Mr. VURSELL. I would like to associate myself with the remarks of Congressman ANDERSEN from Minnesota on this subject.

I appreciate that statement on the part of the gentleman from Illinois as it is simply a token to me of the great value he will prove to be in the future upon our Subcommittee on Agriculture of the Committee on Appropriations.

Mr. VURSELL. I thank the gentleman.

Mr. MARSHALL. Mr. Chairman, I yield 1 minute to the gentlewoman from Minnesota [Mrs. KNUTSON].

(Mrs. KNUTSON asked and was given permission to revise and extend her remarks.)

Mrs. KNUTSON. Mr. Chairman, I wish to call attention to the dried-milk disposal program undertaken last year

in which it appears the best interests of the Government and the farmer were not fully protected. Extensive profits were undoubtedly made by the feed-mixing trade, while our Government suffered unnecessary and exorbitant loss.

Last year on April 22 the administration's Secretary of Agriculture announced the sale of the huge holdings of dried-milk solids by the CCC—the sale to continue until August 31. As the press release stated:

The dried milk will be used largely to make up for the current shortage of soybean meal.

And the explanation continued to say:

This program was not set up to supplant the use of any proteins; it was established to fill a gap in supplies caused by the smaller 1953 soybean crop.

In this discussion I wish to examine this transaction in light of this ostensible purpose—replacing the soybean shortage—without consideration of the potential loss in terms of human food. Ten million dollars was lost in what should have been received by the Government in all justification. Ten millions dollars was received by feed dealers in lush dividends over and above normal profits. This grieves me—the fact that \$10 million was not passed on to farmers in lower feed prices—dairy and poultry raisers suffered stiff mixed-feed prices while supports on dairy products were slashed to 75 percent and farm wives sold pullet eggs for 6 cents a dozen. Under these circumstances the Government should have received a price for dried milk that compared with prevailing soybean prices, or if a concession was to be made to feed mixers, farmers should have shared therein through a reduction in feed prices.

First, the price on milk solids was set in large degree by feed dealers without representation by farmers who were the consumers most directly affected. Prices were set following an informal conference with representatives of the American Feed Manufacturers Association held in Washington, March 24, 1954. No record was kept of the proceedings. Out of informal discussion of the proposed sale, it was agreed that a tentative price of not less than 3 cents would be established. The sale price of dried-milk solids under the April 1954 announcement, was subsequently set at 3½ cents per pound east of the Rockies and 4 cents on the west coast, f. o. b. delivery by CCC point. In other words, the Government paid the cost of transportation. Apparently representatives of the American Feed Manufacturers Association placed orders amounting to 381 million pounds. In the first 10 days, word must have been passed on to them because orders flooded in before May 3.

A large volume of orders were phoned or telegraphed to the commodity offices prior to the sale date, May 3, indicating that members of the Feed Manufacturers Association leaked word of this bargain sale to their immediate associates and these were accepted tentatively by Commodity offices contrary to the expressed provisions of the sale announcement. The very fact that the huge volume of orders poured in during the first 10 days

is proof a huge take was in the making. While the sale of dried milk at a low price was said to fill the gap resulting from the current shortage of high-protein soybean meal, no actual figures were made available to show relative offsetting cost in the feeds produced. Feed industry representatives felt the price set should take into consideration the additional cost of handling drums and bags of dried milk as against carlot handling of soybean meal, lack of warehouse space to store drums and bags, and so forth. This consideration was not tenable because shipment was spaced over weeks or months at the usable convenience of the purchaser. Seemingly all such excuses from feed-company representatives were accepted at face value as evidence for conceding them giveaway prices.

Investigation developed the fact that up to 75 percent of this dried milk had gone into poultry feeds, the balance into mixed dairy feeds. A chronological history, month by month, for the years 1948, 1949, 1953, and to date in 1954 and 1955 shows that in virtually every instance, poultry feeds have risen in cost to the farmers since milk solids were incorporated in the feeds, showing very clearly the farmer received no benefits whatsoever from the low price set on dried-milk solids.

Second. This price was far below what it should have been, to hold the value of the soybean meal it replaced. It is difficult to compare the actual replacement cost of the soybean meal with dried milk, as used in poultry and dairy feeds by feed mixers, because each feed mixer used his own formula which is carefully guarded from competitors. Personnel in the Animal and Poultry Husbandry Research Branch, Agricultural Research Service, state that no direct replacement, percentagewise, can be made in formulas of dried milk for soybean meal due to varying content. On an equal percentage basis of replacement, research personnel contend that 10 percent of dried milk could safely replace a like amount of soybean meal. If one eliminates the Government's freight and handling cost estimates at 1 cent per pound—deducted from the 3½-cent price, the cost of the dried-milk solids to feed dealers was 2½ cents per pound. Even when this competition forced soybean meal down, its price on November 1 of last year was still 4.8 cents per pound. In other words, feed dealers received gratis 2.3 cents per pound at the very minimum. A lush deal?

Third. The administration proved itself extremely inefficient with surprising lack of concern for the farmer consumer and loss to our Government. A more equitable and realistic price of at least 5½ or 6 cents per pound for the surplus dried-milk solids to offset soybean meal prices during the sale period would have saved the taxpayer more than \$10 million.

Even during the time this sales program was in progress and for some time prior thereto, the Department disposed of rather large quantities of infested, cake, or otherwise damaged dried milk at higher prices. From April 1, 1952, to

April 28, 1954, these sales totaled 1.614 million pounds; from April 28 to June 16, 1954, an additional 1.4 million pounds were sold. It is significant to note the average price realized on infested milk was 7.171 cents per pound f. o. b. warehouse as compared to the 3½ and 4 cents for good milk f. o. b. delivery point under this drastic contract at feed-dealer terms. The CCC exhausted its inventory of infested milk. This is really fantastic.

Ten million dollars was lost in this move. One can hardly escape the fact that this is but a manifestation of this administration's lack of regard for farmers through reduced prices for farm commodities, while concessions are readily granted special groups interested in lush profits at the expense of the farmer and the taxpayer.

Mr. MARSHALL. Mr. Chairman, I yield such time as he may desire to the gentleman from Wisconsin [Mr. JOHNSON].

(Mr. JOHNSON of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. JOHNSON of Wisconsin. Mr. Chairman, I want to congratulate the chairman of the subcommittee, the gentleman from Mississippi, Congressman JAMIE WHITTEN, and the gentleman from North Carolina, Congressman CHARLES DEANE, on the fine presentation they have given on the agricultural appropriation bill for 1956 before us. I feel that their talks have been very instructive to the Members of the House.

In studying the report of the committee to accompany H. R. 5239, I am very pleased to note that the committee has taken into consideration the need for action programs in the Department of Agriculture and has restored adequate funds for the effective functioning of these action programs. This is especially true in the restoration of funds to the school lunch program which is so essential to the well-being of our school population. I have introduced a bill, H. R. 2600, to increase the funds available annually to the schoolchildren's milk program from \$50 million to \$87,500,000. In order for the school milk program to function as it should, it is necessary that the entire school lunch program have sufficient funds. In Wisconsin, where the school milk program has been well developed, it is very likely that more funds will be needed as the program expands.

As one who represents a district having a large concentration of REA cooperatives, I am happy to see that the committee has approved the full request of \$160 million for electrification loans for the coming fiscal year and also has approved the contingency fund of \$100 million for electrification loans to enable the Secretary of Agriculture to meet any large or unusual needs which could not otherwise be handled within the regular authorization on the formula basis in the law. This formula is causing much concern in the State of Wisconsin as our State is around 96 percent electrified and the present formula is holding up many proposed loans.

I further wish to congratulate the committee in recommending sufficient funds for the Soil Conservation Service to restore the proposed reduction and to provide for an increase in technical services. Soil conservation begins at the grassroots level; therefore it is imperative that we have broad programs with adequate financing to carry out wise soil conservation policies. It is my belief that an ounce of prevention now is worth a pound of cure when drought hits.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. HARVEY].

(Mr. HARVEY asked and was given permission to revise and extend his remarks.)

Mr. HARVEY. Mr. Chairman, it will not be possible to elaborate as I would like in the limited time that I have. I do want to say that I appreciate very deeply the thoughtful consideration that this committee has given to the appropriations for agriculture. I likewise would like to say that even a critical attitude is not always out of keeping, in surveying the problems of agriculture. I think we should approach them with the idea that we can improve the efficiency not only of agriculture itself but of the administration of our great Department of Agriculture.

I think, though, that I might briefly point out some of the things that we have overlooked in this problem. There are just two things particularly in the time that I have that I would like to point out. One is that we are puzzled about selling more abroad. Now, the fact is that we are about 95 or 96 percent self-sufficient, and that means that we only have about 4 or 5 percent for export, because we cannot export any more than we import. A lot of different segments of our economy would like to get a bigger slice of that 4 percent. Now, I am not at all unmindful that the cotton producers and the wheat producers have during the years wanted to export the surplus producing capacity that they have, as well as the automobile manufacturers. I could go through the whole gamut of production facilities that we have in this country. All of them want a bigger slice of the 4 or 5 percent, but the only way we can expand it is to do so at the expense of another segment of our economy, and I think we must not overlook that. So the problem of increasing our exports is intimately tied up with the things we are willing to buy from abroad and bring into our own economy here at home. I think a great deal of study is being given to improving that situation and should, but we must not forget it.

Now, there is another thing that has worried me a great deal, because I have been a lifelong farmer. I know that there are in this country a great many marginal farms and farmers. They may be marginal from the standpoint of their productive capacity, or they may be marginal from the standpoint of the size of the farm, but in either instance it means that that family is not going to have an adequate living.

During my lifetime we have seen the trend of great productivity on the part

of the individual farmer increase and, with it, a corresponding decrease in the number of farmers. Where have those farmers gone? They have gone into industrial jobs, and that has been going on in such fashion that we scarcely have recognized what was happening. And it is going to continue. When I was a youngster it took about half the number of people in the country to grow enough food and fiber for the other half. Today the ratio is about 1 farmer to 6 non-farm people. Tremendous strides have been made. That could not have come about had not industry been prepared to absorb those people when they were relieved of the duty of producing food and fiber. How much further that can go I do not know but I do know this, that it must be an orderly process. Frequently I have heard nonfarmers say to me, "Let us have a survival system in farming and squeeze out all of these marginal farmers and then those who are left will have an adequate income." I do not think that is a very wholesome outlook and I have never approved it. I do think that as this program of industrialization goes on gradually those farmers who can make a better living and a better income out of industry than in agriculture will find their place in industry. But it must be an orderly process. It is not fair to propose a farm program which will be a squeezing process upon less fortunate farmers. The trend from farm to factory will not proceed as rapidly in the future as in the past. We should devote our efforts toward maintaining as prosperous an agriculture as possible, based upon the ideal of the family farm.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. HARVEY] has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 12 minutes to the gentleman from Kansas [Mr. HOPE].

(Mr. HOPE asked and was given permission to revise and extend his remarks)

Mr. HOPE. Mr. Chairman, I think we have a very good bill before us. I have been pleased with the work of the committee. In a great many cases it has not changed very much the figures that were submitted by the Bureau of the Budget. In cases, where the committee has made increases I think they have strengthened the bill. I am speaking particularly in connection with appropriations for soil conservation including watershed protection and flood control. I am happy to see that the appropriations for the Extension Service and for research have been retained approximately as they were submitted by the Bureau of the Budget in each case calling for a substantial increase over the last fiscal year.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. H. CARL ANDERSEN. I want to say that I appreciate the gentleman from Kansas [Mr. HOPE] coming to me personally some time ago and urging that this mistake on the part of the budget be rectified; that is, with reference to the Soil Conservation Service. At the same time he urged that the com-

mittee approve the amount submitted by the Bureau of the Budget in behalf of the Extension Service and payments to the States for experiment stations. As the committee can well see, this subcommittee did follow the advice of the gentleman from Kansas rather closely in that regard.

Mr. HOPE. I thank the gentleman from Minnesota for his comment and I am very grateful to him and his associates for the fine job they did on the bill.

While I feel that the committee did an excellent job as far as the bill is concerned I have been somewhat disturbed by some of the comment which appeared to me to be political, in the report. And while I do not desire to dwell on that matter at this time—

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I have very little time, but of course I cannot refuse to yield to my distinguished friend.

Mr. WHITTEN. I cannot conceive of anything in the report being political. We did restore these various amounts that were cut out as the gentleman has pointed out, but I should seriously like to know what the gentleman has reference to in that regard.

Mr. HOPE. What I have reference to are the comments contained in the report, where it is charged that officials of the Department of Agriculture including the Secretary in failing to follow some of the suggestions which the gentleman from Mississippi [Mr. WHITTEN] made—and they may be good suggestions, although I want to discuss them a little later—were motivated by political considerations. I do not believe that statement is fair to the Secretary of Agriculture and his associates in the Department.

Mr. WHITTEN. May I say again I have high regard for the gentleman, and certainly I mean nothing personal with regard to the Secretary of Agriculture. When the statement is made that political and other considerations enter into it, it has been repeatedly said that our farm policy, our agricultural policy, has had to take into consideration world conditions, world affairs, and that has been stated over and over. Now the gentleman seeks to put into my mouth the words that I intend to play politics. That statement was not intended and is not in there. That is the reason I have asked the gentleman to yield, so that I can say political considerations are one thing, but playing politics is completely opposite. There has been no statement that the Department was playing any politics. In fact, I would be the first to deny they are, because I think their actions are in themselves good politics.

Mr. HOPE. I am very glad to have the gentleman make that statement. I would feel very much disturbed if the gentleman were seriously charging the Secretary of Agriculture and his associates with political manipulations.

Mr. WHITTEN. No such intent is here. The statement of political considerations has been made many, many times in the last several years as one of the reasons for a course of action.

Mr. HOPE. I am happy to have the gentleman state his position.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Indiana.

Mr. HALLECK. Let me read one paragraph in the committee report on page 6 which I think clearly indicates that this report is political. It is very short, but I think it is worthwhile:

Those facts make the picture clearer. There is much to indicate that, with the Department of Agriculture, a branch of the executive department, political and other considerations predominate to the point of preventing action. Proper actions by the Corporation are made subservient to a host of other considerations, many of which, in the opinion of a majority of the committee, are unsound. These actions of the Secretary of Agriculture and others about him are hard to understand unless CCC costs and losses are for use to support their determined efforts to change the price-support program.

To my mind, it is perfectly clear that that is a charge of political considerations.

Mr. WHITTEN. The gentleman is an expert in politics so I could not argue with his recognition. I would say that my intent of saying that they are playing politics was not there, because I think the action you have taken with a \$7 billion corporation in not selling the commodities is anything but good politics. I know that is the only kind the gentleman would prefer.

Mr. HALLECK. May I make this observation as to what is good politics and bad politics? That there can be a difference of opinion does not mean politics is not involved. Lots of times here I think people act for political reasons. I think probably they are off base in doing it, and I do not think they will get the benefits they expect, but it is still a political consideration at base.

Mr. WHITTEN. May I say to the gentleman in reply that I think the gentleman's statement just then proves his point?

Mr. HOPE. What I would like to discuss, Mr. Chairman, is this question of surpluses because as far as agriculture is concerned, it is the crux of our problems at this time. If you look at agriculture from any other aspect than that of surpluses and the serious effects surpluses have on prices, then the picture is good. When you look at it from the point of view of surpluses and the effects they have had, then it is rather discouraging. It is a situation that cannot help but give pause to all of us.

What caused these surpluses we have at the present time? I think we might take a minute to go into that situation. They have been caused in the main by the fact that during the war, we did the same thing with our agriculture that we did with our industry. We expanded it to meet war conditions and requirements. We increased agricultural production by about 50 percent. When the war ended it was easy enough to cut down on our industrial production. You can close down a factory, but you cannot close down a farm. And for a considerable time after the war and in fact until the last 2 years we needed all of this agricultural production. But, just at pres-

ent, we have a level of agricultural production which we cannot absorb.

I think it is fortunate that we have had surpluses rather than shortages, of course. But we are in a position where surpluses have become a problem as far as management is concerned and that is the thing that is disturbing.

The large surpluses that we have in this country at this time are not only a menace to agricultural prices and the prosperity of agriculture in this country, but they constitute a threat to the economy of the entire world. I mean by that, that there are many countries, all of them friends of ours, which depend to a large degree upon their agricultural exports, and if we should dump our agricultural surpluses on the markets of the world at this time, it would mean economic ruin for countries like Australia, Denmark, Holland, or any one of a dozen other countries that I might mention because they depend upon agricultural exports and have depended upon them for years. I am not talking about new production, I am talking about the agricultural production that these countries have traditionally had for a long period of time. So it is necessary that when we attempt to dispose of those surpluses that we take these facts into consideration.

I know the people of this country want to see our agricultural surpluses get into the hands of people who need them. But we do not want them to go to places where they would do more harm than good, and where they will wreck the economy of other nations and create greater problems than they will solve.

So the problem has been, How can we best dispose of those surpluses? I certainly would not want to have this committee get the idea that we have not been doing something about it. Every Member of the House of Representatives has received a copy of the message of the President of the United States dated January 10, entitled "Activities Under Public Law 480." This document outlines not only the activities that have taken place under Public Law 480, but all the activities that have taken place in the way of surplus disposal along other lines. It points out some of the problems also that confront us with respect to the disposal of these commodities.

I want to briefly go through this document and point some of the steps that have been taken to dispose of agricultural commodities.

He are some of the items that are not included under Public Law 480.

First, Commodity Credit Corporation sales—

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. HOPE. The first thing is Commodity Credit Corporation sales. I am afraid you have got the impression from the committee report that the Commodity Credit Corporation has not been making any sales, but the fact is that from January 1 to November 30, 1954, the supplies disposed of by the Commod-

ity Credit Corporation amounted to \$1.3 million. I think I should say that this is the invoice value of the commodities as far as the Corporation is concerned. I do not mean they got that much for them because some of these things were sold at competitive prices.

Then there is the MSA program. Under the Mutual Security Act last year we provided that \$350 million should be used to finance the export and sale of agricultural commodities. I am told that all of that \$350 million will be used during this fiscal year. The commodities may not all go out, but the amount will all be used or committed. That is quite a sizable amount of surplus disposal, if I may say so.

Now I want to go to Public Law 480 and call attention to what has been done under that act.

I am sure most of you will remember there are three titles to that act. Title I provides for the expenditure of up to \$700 million for the exportation of surplus commodities. Most of those will be sold for local currencies, but I have been surprised in conversations recently with those in the Department of Agriculture who have charge of this program, to find that there will be quite a little recovery under that program and that we are going to get a great deal more than I had supposed we would get out of those foreign currencies. This \$700 million will not all be expended this year, but at the time this report came out over \$452 million had been authorized to be used this year, and possibly there will be something additional.

Now we come to title II of the act, which authorizes the expenditure of \$300 million in the disposition of surplus commodities. This is what we refer to ordinarily as the giveaway program. It will embrace at least the disposal of \$150 million worth of commodities this year. Those will go into various channels. In some cases they may be distributed by some of the voluntary agencies to those in need in other countries. In other cases they have gone to the Danube flood sufferers, and those in similar situations, where a relief mission seemed to be indicated.

In title III we have a provision for domestic donations. Under that program there have been substantial donations.

The same thing has been true in the allocation to private welfare agencies of commodities for distribution to foreign needy people.

There is one other item that is contained in title III of Public Law 480, and that is the barter provision. From the middle of 1949, until July 1, 1954, we have had some provisions relating to barter, and about \$110 million worth of surplus agricultural commodities were exported under the barter program during that time. But under the barter program under Public Law 480 we have exported \$93 million worth of agricultural commodities in 6 months, or almost as much as we exported for the 5 preceding years.

Thus there have been substantial operations in the disposal of these agricultural commodities during the time that the provisions of Public Law 480 have

been in effect. The total, including amounts distributed under the Mutual Security Act is something over a billion dollars—all this in addition to amounts disposed of directly by the Commodity Credit Corporation.

Now, getting to the question of cotton, and that is the principal thing the gentleman from Mississippi has discussed, I contend that the Commodity Credit Corporation has followed the right policy. It has kept the price of cotton in this country to the farmers at from 3 to 5 percent above the price-support program.

If the Commodity Credit Corporation has to take over some of the cotton that is under loan—and it will—if it appears that we have to undertake some steps to dispose of it at that time, we hope that it may be done in such way as not to interfere with our economy, and the economy of our friends and allies.

I do believe that a study of all the facts will show that this administration has not been negligent in its program of disposing of our surplus commodities.

Gentlemen, I do not know of any Secretary of Agriculture who believes more strongly in finding markets for agricultural products than Ezra Taft Benson. He has entirely reorganized the marketing agencies in the Department with a view of making them more effective in assisting farmers in the marketing of their products. He is the first Secretary of Agriculture who has given any consideration to the provisions of Title 2 of the Research and Marketing Act passed by the 79th Congress in 1946 and providing for a real marketing program in the Department including an expansion of marketing research.

Under his leadership the administration got behind the proposal to transfer the agricultural attachés from the Department of State to the Department of Agriculture with the result that the number of agricultural attachés is not only being expanded by their activity is being increased on behalf of new markets for American farm products. This complements and supplements the reorganization of the Foreign Agriculture Service into a most effective agency.

Secretary Benson has a tough job. He inherited most of the problems which are confronting him at this time. Everyone knows that I am not in entire accord with Secretary Benson with respect to certain phases of the farm program. But certainly no one can justly say that Secretary Benson has not done a fine, fair, honest job in dealing with the tremendous problems which face him as Secretary of Agriculture at this time.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. WHITTEN. We all respect and admire the ranking member of the Committee on Agriculture as one of the chief proponents for a two-sale price for wheat, a recognition that if you are going to sell in world channels you must make the prices competitive or you will not do it.

Reference has been made to cotton that we may not need to do anything about cotton. I would like to point out

that exports of cotton are around 4 million bales. Formerly it was 8½ million bales.

Speaking of selling competitively in world channels I want to read again a portion of the speech delivered by the Secretary of Agriculture on Tuesday last at Bakersfield, Calif., in which he said:

And we may as well face the fact that we have increasing competition in the world cotton market. Efficient use of excellent land in Central America, for example, has brought about a sixfold increase in cotton production during the past 5 years, and a further rise in output can be expected.

Meantime, our situation in the United States leaves us no alternative but to call on cotton farmers again to make substantial adjustments in acreage. The Department cannot favor any increase in the national cotton acreage allotment for 1955 under the current supply and demand situation.

But we must face the facts. We must realize that high rigid supports tend to price our cotton out of world markets. They tend to encourage foreign producers more and more to get under our convenient price-support umbrella.

The gentleman from Kansas spent a great deal of his time talking about disposal, and the commodities that he had reference to were offered for sale first, but we tried to dispose of them before we offered them for sale as proven by the hearings of our committee. That I think is unsound.

Mr. HOPE. In reply to what the gentleman from Mississippi, my distinguished friend, just said, may I say that the two-price plan for wheat which I have been advocating, is something quite different from the two-price plan for cotton which he has been discussing, in that the two-price plan for wheat involves sales at the going market price without going through the Commodity Credit Corporation or without any necessity of Government sales of any kind. Under the program that the gentleman from Mississippi is advocating, every bale of cotton exported would have to go through the Commodity Credit Corporation and the Commodity Credit Corporation would have to take a loss on it. The wheat producers are not asking the Federal Government to take a loss on any wheat exported under a two-price system but rather that it go through the normal channels of trade at the world price, without any subsidy.

Mr. WHITTEN. Under the International Wheat Agreement, this committee has had the job of appropriating millions of dollars in connection with wheat so that it would move in world trade below the domestic price. I differ strongly with some of my friends when we try to get relief when they are so well aware that we have to sponsor legislation each year trying to make that commodity competitive.

Mr. HOPE. I simply want to say that what we are trying to do with the proposed two-price plan for wheat is to get away from this requirement of going before the gentleman's committee every year and asking for an appropriation of \$100 million or \$150 million to pay the export subsidies.

Mr. WHITTEN. The record shows by the Secretary's own speech that this

umbrella is moving American cotton acreage overseas and, according to the Department's own investigation, 55,000 cotton farmers are without homes by reason of his order. We are asking merely that the commodities that you have be sold because when they are not sold, if the price is not competitive and they are not sold, then they are counted to drastically reduce the cotton acreage. We are asking what the gentleman has to a considerable extent supported. He would change the formula, however, but pending the change in legislation by the gentleman, certainly any investor in the Commodity Credit Corporation is entitled to have the \$7 billion of commodities sold and used. I hope that in these hearings we have made the American people aware of the fact that the Department has had authority to sell all the time at whatever price it took to move these commodities, but it has not.

Mr. Chairman, I yield 15 minutes to the gentleman from Kentucky [Mr. NATCHER].

Mr. NATCHER. Mr. Chairman, the Subcommittee on Agriculture of the Appropriations Committee once again brings to the floor of the House for your approval the annual appropriation bill of the Department of Agriculture.

I consider it an honor to be a member of the Subcommittee on Agriculture and at this time desire to express my deep appreciation to the chairman of the Committee on Appropriations, the able and distinguished gentleman from Missouri [Mr. CANNON], for giving me the opportunity and privilege of serving on this subcommittee.

Our chairman, the distinguished gentleman from Mississippi [Mr. WHITTEN], has served for a number of years on this important subcommittee and is recognized as one of the outstanding Members of Congress. He understands the problems confronting the American farmer and has an unsurpassed knowledge of the Department of Agriculture and its many agencies and divisions. With his knowledge, ability, and understanding, he fights vigilantly for the advancement and rights of our farmers. He has proved himself a friend of agriculture.

The distinguished gentleman from Minnesota [Mr. MARSHALL] and the distinguished gentleman from North Carolina [Mr. DEANE] are true friends of agriculture. The distinguished gentleman from Minnesota [Mr. H. CARL ANDERSEN] has served for a number of years on this important subcommittee. During the 83d Congress he served as chairman and is a true friend of the farmer. The distinguished gentleman from Washington [Mr. HORAN] and the distinguished gentleman from Illinois [Mr. VURSELL] are true friends of the American farmer. Partisan politics has no place on this particular subcommittee and this fact is recognized by its members. We are indeed fortunate to have as our executive secretary, Ross P. Pope. He is well qualified for this position and has been of invaluable assistance to me as a new member of this committee.

Hearings before the subcommittee began on January 11, 1955, and continued

to March 11, 1955. We heard the testimony of a great many witnesses. The printed reports of the hearings contain 2205 pages.

Mr. Chairman, farm life has been deeply affected by present day agricultural problems. We find a decline in rural morale and more rapid movement away from the farm. Today only 16½ percent of our people live on the farm and these people produce sufficient food for themselves and for the rest of us.

Due to the population growth the farmer today is confronted with rather significant changes in the size of his total domestic market. The farmer today must be able to adjust himself to marked changes in the demand for specific commodities. Sound foreign commerce is essential to the well being of this country and especially so in agriculture. We must strive to develop more outlets at home and abroad. Our surplus agricultural products demand a world market.

The number of people working on farms has declined almost steadily since 1910. Increased use of machinery on farms and increased opportunities for nonfarm jobs has increased the rate of decline since the year 1935. In 1910 we had 13,555,000 people employed on our farms. Of this number 10,175,000 were family workers and 3,380,000 were hired workers. In 1935 we had 12,735,000 employed on our farms with 9,857,000 family workers and 2,878,000 hired workers. In 1954 we had a total employment on our farms of 8,499,000 and 6,545,000 of the total number employed were family workers and 1,954,000 were hired workers.

In 1940 we had 1,500,000 tractors on our farms. Today we have 4,600,000.

When our Constitution was adopted we had less than 4 million people, today we have some 162,400,000. At this rate we will have 200 million people in the United States in the year 1975.

The farmer and agriculture generally feels the impact of industrial prosperity and depression through the prices he receives for his produce and consequently the net income he has received. In 1910 the American farmer's gross income was \$7,349,000,000 with his production expenses amounting to \$3,556,000,000 thereby resulting in a net income of \$3,793,000,000. In 1914 the American farmer's gross income was \$7,633,000,000 with his production expenses amounting to \$4,064,000,000 thereby resulting in a net income from agriculture of \$3,569,000,000. During the base period of 1910-14 the parity ratio reached 100 percent. In 1932 our farmer's gross income was \$6,400,000,000 with his production expenses amounting to \$4,502,000,000 resulting in a net income of \$1,898,000,000 and with the parity ratio amounting to approximately 68 percent. In 1947 the farmer's gross income was \$34,002,000,000 with his production expenses amounting to \$17,228,000,000 thereby making his net income \$16,774,000,000.

This particular year is the record of all time for the American farmer from the standpoint of net income. In 1952 our realized gross farm income was

\$36,842,000,000 with production expenses amounting to \$23,216,000,000 thereby resulting in a net income of \$13,626,000,000. In 1954 we have gross income amounting to \$34 billion and production expenses of \$21,500,000,000 thereby resulting in a net income to the farmer of \$12,500,000,000. Realized gross income in 1954 is estimated to be some 4 percent lower than the year 1953 and with production expenses reduced only some 3 percent, making our realized net income substantially lower than the 1953 total of \$13,275,000,000. Parity reached 113 in 1951. Parity ratio fell rapidly during 1952 and 1953, resulting in parity ratio of 89 percent for August of 1954.

Parity is not a political slogan. It is not a partisan political term. It certainly is not a subsidy dreamed up by farmers or Farmer's Organizations of this country. Parity simply means that our farmers receive a fair share of the National Income. Parity is just as important to the businessman as it is to the farmer.

Lack of parity means increased inventories and reduced volume of sales to the machinery dealer, the druggist, the automobile dealer, and the grocer.

We have learned recently that agriculture is so tied in with our total economy that it is disastrous to permit it to get too far out of line. In order to meet our domestic and foreign problems we must have a prosperous and expanding agriculture.

QUANTITIES OF FOOD 1 HOUR OF FACTORY LABOR WILL BUY

The United States is blessed with the most productive agriculture of all nations. Our people are the best fed in the world. One hour of factory labor at average prevailing wages in 1954 purchased 10.5 loaves of bread; in 1939, only 8.0 loaves; and in 1929, only 6.4 loaves. You could purchase 2 pounds of steak in 1954 with 1 hour's labor; 1.8 pounds in 1939; and 1.2 pounds in 1929. One hour's labor in 1954 purchased 15.7 pints of milk and only 10.4 in 1939 and 7.8 pints in 1929. Thirty-four pounds of potatoes could be purchased in 1954 with 1 hour's labor; 25.3 pounds in 1939; and 17.7 pounds in 1929. With the proceeds from 1 hour's labor in 1954 we could purchase 3.2 dozen oranges and only 2.2 dozen in 1939, and 1.3 dozen in 1929. Commodities have dropped considerably during the past 2 years but the retail price of food has not followed the farm prices downward.

DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATIONS BILL

This bill contains total annual appropriations for regular activities of \$694,107,403; loan authorization for the Rural Electrification Administration and Farmers' Home Administration of \$388 million; and administrative expenses authorization for the Commodity Credit Corporation of \$26 million together with an appropriation of \$1,634,659 for restoration of capital impairment; and appropriation of \$184,517,957 for special activities, most of which covers reimbursement to the Commodity Credit Corporation for funds advanced to finance programs authorized by Congress

to meet special and emergency conditions; and administrative expenses limitations for the Farm Credit Administration of \$6,290,000.

RURAL ELECTRIFICATION ADMINISTRATION

Pursuant to Executive Order 7037, dated May 11, 1935, the Rural Electrification Administration was established to make loans for the extension of central station electric service to unserved rural people. The Rural Electrification Act was approved May 20, 1936. REA became a part of the Department of Agriculture on July 1, 1939, and on August 28, 1949, REA was authorized to make loans for the purpose of furnishing and improving rural telephone service. Electric and telephone loans are self-liquidating over a period not exceeding 35 years and bear interest at the rate of 2 percent. In the electrification program the principal borrowers are cooperative associations formed solely for the purpose of making electricity available to rural areas. Loans for telephone service are made both to private companies and cooperatives. REA is one of the greatest achievements of our present day Government. Loans for the REA program beginning June 30, 1936, and continuing to June 30, 1955, amount to \$3,046,832,099. This represents 1,417,441 miles of line serving 4,487,045 consumers. Today 91 percent of our farmers have electric service.

Loans for the rural telephone program amount to \$257,578,542 with these loans made to 375 borrowers. Four thousand miles of pole line has been improved and 54,000 miles of new pole line has been constructed. More than 100,000 rural homes now receive new or improved services through the telephone program. Over 50 percent of our farmers today do not have telephone service.

Our subcommittee has approved the full request of \$160 million for rural electrification loans for 1956. In addition we have approved a contingency loan authorization fund of \$100 million for electrification loans, thereby enabling the Secretary of Agriculture to meet any large or unusual needs in any section of the country which otherwise could not be handled within the regular authorization on the basis of the formula contained in the basic legislation. We will have on hand an estimated carryover of \$21 million and probable recissions of \$4 million which, when added to the loan authorization request of \$160 million will make a total of \$185 million available for electrification loans during the fiscal year 1956, exclusive of the contingent fund of \$100 million. It is anticipated that loans totaling \$185 million will be made during fiscal 1956.

RURAL TELEPHONE LOAN AUTHORIZATION

Our committee has recommended \$75 million for rural telephone loans for fiscal year 1956. This is an increase of \$5 million over the budget estimate, and with an estimated carryover of \$10 million we will have an authorized loan total of \$85 million for the fiscal year 1956.

SOIL CONSERVATION SERVICE

Soil Conservation Service was established on April 27, 1935. Today we have 2,650 local soil conservation districts

covering some 89 percent of all the farms and ranches in the States, Territories, Puerto Rico, and insular areas of the United States. We have in Kentucky 122 soil conservation districts and we believe in this program in Kentucky. Our watershed protection and flood prevention program is provided for under the Food Control Act of 1944, Public Law 46 of the 74th Congress and Public Law 566 of the 83d Congress.

The 1944 act provided for the 11 large watersheds now in operation. The pilot watershed activities on the 60 small watersheds authorized by Congress in 1953 are being carried out under Public Law 46 and planning work is now being started under Public Law 566. The President, by Executive Order 10584, signed December 18, 1954, set forth general rules and regulations relating to the administration of the Flood Prevention Act known as Public Law 566. This Executive order stated that a policy statement would be issued by the Secretary of Agriculture. So far, no statement has been issued, and I hope that when same is issued by the Secretary, he will not set the percentage requirement to be paid by the farmer for the cost of all improvements, including cost of water and soil retention dams so high as to eliminate all future interest in soil conservation.

Our farmers and ranchers must practice soil conservation. In some instances our soils are deteriorating faster than we are building them up. Erosion is still taking a heavy toll. We still have enough good land left in this country to keep us prosperous and well-fed if we conserve and improve it.

SOIL CONSERVATION SERVICES APPROPRIATIONS

Our committee recommends an appropriation of \$58,612,579 for Conservation operations for 1956. This is an increase of \$2,916,379 over the Department's budget request and \$1,044,000 more than the appropriation for 1955. We recommend \$12 million for watershed protection. This is an increase of \$1 million over the Department's budget request and \$4,790,000 more than 1955. This is the appropriation for the continuation of the 60 small upstream watersheds. We further recommend \$10 million for flood prevention. This is an increase of \$1,300,000 over the Department's budget request and \$804,708 more than 1955. The flood-prevention work in the 11 authorized watersheds is financed out of this particular appropriation. We recommend a total of \$80,612,579 for soil conservation services. This is an expenditure for the present and future. We will not only continue to conserve soil and water resources but we will boost the production of our land thereby increasing the income of the farmer.

AGRICULTURAL MARKETING SERVICE

Agricultural Marketing Service was created on November 2, 1953, under authority of Section 161, Revised Statutes, Reorganization Plan No. 2 of 1953. The Marketing Service administers programs relating to marketing research, crop and livestock estimates, marketing news, grading inspection and classing of farm products, freight rate services, marketing regulatory programs, marketing

agreements and orders, surplus removal and the school-lunch program.

For marketing research and agricultural estimates we recommend \$10,981,000, the amount requested in the Department's budget request. This is \$758,000 more than 1955.

For Marketing Services we recommend \$11,810,000. To this item we added \$75,000 to permit establishment of offices at some of the other locations where Market News Services are needed, as indicated by the testimony presented during our hearings. Of course, the necessary local matching funds must be pledged for all new Market News Services. We also restored the sum of \$320,000 which was deleted by the Department for inspection and grading of fresh fruits, vegetables, poultry, and eggs. We believe that the States derive great benefits from joint Federal and State inspection. This particular item was omitted by the Department last year, and again the committee had to place same back in the appropriations bill. For payments to States, Territories, and possessions we recommend \$1 million. This is an increase of \$100,000, over funds available for 1955. I sincerely believe that the marketing activities of agriculture should be encouraged. My home State of Kentucky is performing outstanding work in this field.

SCHOOL-LUNCH PROGRAM

Our greatest asset is our schoolchildren. Educators and parents realize the importance of good school meals for both the health of the children and effective teaching programs. Some 10 million schoolchildren receive hot school lunches each day. This represents one-third of all our schoolchildren. In 1954 there were 54 million children under 18 years of age. We have an average increase of over 1 million schoolchildren each year. The cost of serving lunches has increased 45 percent since 1946. In the year 1947 all but 7 of our States received 9 cents reimbursement for each lunch served and the average for the Nation was 8.7 cents. In 1954 the average rate per lunch for the Nation was 4.8 cents. This year it is 4.5 cents. States and local communities are financing 70 percent of the total cost of the school-lunch program at the present time.

The Department of Agriculture proposed a \$15,236,197 reduction in school lunch appropriation for 1956. The Department maintained that donations of section 32 and 416 commodities would offset the loss of section 6 commodities. I believe that if section 6 articles of canned fruits and canned vegetables, citrus products, and peanut butter are removed from the list of foods made available to the schools for lunches it will have a detrimental effect upon our children in our schools through the loss of a balanced diet. If we follow our Department's request and reduce the school-lunch program of \$15,236,197 we do so at the expense of our schoolchildren. Before making this reduction we should pause and remember that since the year 1917 we have spent \$129 billion of our money for foreign aid.

Our committee recommends a total appropriation of \$83,236,197 for our school-lunch program. We do not believe the Department's request for a decrease of \$15,236,197 should be recognized and the amount of the proposed decrease has been restored by this committee.

FARMERS HOME ADMINISTRATION

We have in the United States 41 State offices and 1,500 local offices serving the Farmers Home Administration. Through these offices the little farmer may receive financial assistance when needed. The Farmers Home Administration grants loans which help the small farmer make better use of his land and labor resources. Our committee recommends a loan authorization of \$19 million for farm ownership and housing. This is \$6 million more than the Department's budget request and equals the appropriation for 1955. We further recommend loan authorization amounting to \$122,500,000 for production and subsistence. This is the same amount appropriated for 1955. We recommend loan authorization for soil and water conservation of \$11,500,000. This is the same amount authorized for 1955.

AGRICULTURAL RESEARCH SERVICE

Our committee recommends \$37 million for research in 1956, which is an increase of \$1,178,000 over appropriations for 1955.

We recommend a total of \$17,750,000 for Plant and Animal Disease and Pest Control, with this amount being \$496,000 more than the Department's budget estimate for 1956. We recommend \$14,325,000 for meat inspection. This is the same amount appropriated for the year 1955.

Our committee recommends the full budget estimate of \$24,753,708 for grants to the State experiment stations for fiscal 1956. This is an increase of \$5,300,000 over the appropriations authorized for fiscal 1955. For foot-and-mouth and other contagious diseases of animals and poultry we recommend \$1,900,000. This is the same amount appropriated for fiscal 1955.

EXTENSION SERVICE

Our Extension Service is financed from payments made by the Federal, State, county, and local governments. These funds are used within the States for the employment of county agents, home demonstration agents, 4-H Club agents, State specialists, to put into force the educational programs of the Department of Agriculture. We recommend an appropriation of \$45,475,000 for payments to States, Hawaii, Alaska, and Puerto Rico for Extension Service. This is \$5,800,000 more than the appropriation for 1955. We further recommend an overall appropriation of \$48,895,000 for Extension Service. This is \$5,357,500 more than the amount appropriated for 1955.

ACTION PROGRAMS

Our committee recommends the restoration of reduction in our action programs proposed in the Department's budget for plant and animal disease and pest control in the amount of \$435,579;

flood prevention, \$495,292; \$320,000 for inspection of fresh fruit, vegetables, poultry, and eggs, and \$15,236,197 for the school-lunch program. We sincerely believe that agriculture generally is facing a crisis at the present time, and that every effort should be made to prevent any further reductions in farm income for the fiscal year 1956.

We all realize that our action programs simply put into effect the results obtained from research and education, and, under no circumstances, should we permit curtailment of our action programs at the present time.

FOREIGN AGRICULTURAL SERVICE

The American farmer believes that the Secretary of Agriculture should have the authority to employ agricultural attachés, and sanctioned the passage of Public Law 690, which transferred this function from the State Department to the Department of Agriculture. Every effort should be made to set up a program for disposal of our surplus commodities in foreign trade, and the additional funds to be appropriated for Foreign Agricultural Service amounting to \$850,000 should not be wasted on trade-promotion programs, and foreign advertising materials. We must have an alert Foreign Agricultural Service if we are to continue our world leadership. Our committee recommends an appropriation of \$3,365,000 for Foreign Agricultural Service. This is an increase of \$850,000 over the appropriation for 1955.

AGRICULTURAL CONSERVATION PROGRAM

Our committee recommends an appropriation of \$214,500,000 for fiscal 1956 for our agricultural conservation program. This is \$22,800,000 more than the 1955 appropriation. Our agricultural conservation program is provided for under the Soil Conservation and Domestic Allotment Act of 1936. Under this law we share with our farmers a part of the cost of carrying out conservation practices, which, in the opinion of this committee, are essential to the welfare of the Nation. Under no circumstances should the agricultural conservation program service be curtailed to the extent that same is of no benefit to the American farmer.

Mr. Chairman, the people in my home State of Kentucky are very much interested in the Agricultural Commodity Tobacco. In spite of numerous acreage reductions during the past few years we find that we are now faced with further acreage reduction for 1956. The 1954 burley-tobacco crop turned out to be larger than anticipated at the time the quotas for 1955 were announced last fall. The people in my home State of Kentucky are very much concerned over this situation. The Department of Agriculture should be commended for its promptness and dispatch in attempting to solve this important problem. We are proud of the record of tobacco and its success is due largely to the cooperation between the growers, the Department of Agriculture, and the Congress of the United States. This bill contains sufficient funds for proper administration of the tobacco program.

The American farmer has the right to demand a standard of living in keeping to the contribution he makes to the national economy. Agriculture must prosper if the Nation is to prosper.

Our committee recommends this bill to the Members of the House.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, at the outset of my remarks I desire to compliment the Subcommittee on Agricultural Appropriations on bringing a bill to the floor of the House which I think is completely justified. I especially want to compliment the committee for the amounts they have recommended in the bill for the Soil Conservation Service, watershed protection, and for REA loans. The economy and the welfare of our Nation depend upon him who tills the soil, to a very great degree, for the very simple fact that mother earth is our only real constant economic generating plant.

For two reasons, because from mother earth springs anew our wealth each year and the products from mother earth are consumed either the year they are produced or the year after generally speaking. The cycle through which the products of the farmer travels regulates our economic machinery and generates our national income, that is especially true in normal times. Also the American farmer purchases annually over twice the amount of manufactured goods as do other citizens, on a per capita basis. So we depend to a very great degree on the prosperity of the farmer. I think we worry too much about our surpluses. I saw a cartoon in the Council Bluffs Nonpareil of Council Bluffs, Iowa, the other day where the great horn of plenty was pouring out its great flood of food, feed, and fiber onto this great United States of ours. At the small end of the horn of plenty was dangling communism. The title of that cartoon was "Isn't It Time We Count Our Blessings." I have said for many years that I shall never worry so long as the good Lord gives us a plentiful supply of food, feed, and fiber. The day I start worrying will be when we have a scarcity and when we have little in the pantry and little in the cribs and little in the granaries and little in the storehouses of our country. That is when we Americans will really have something to worry about. I have been greatly interested in the colloquy here today about the disposal of our surpluses. You know after about 20 years of sending our experts all over the world with our great knowhow, and sending hybrid corn, wheat, cotton, rice, and so forth, and the men with the knowhow, together with all the commercial fertilizer which we have been sending abroad, naturally we are losing our exports of farm products. I was in a corn field in France a couple of years ago come this fall. Being raised on an Iowa farm, after walking through a field of corn, I can come pretty close to guessing what the yield will be, but I asked this question. "How much is this field going to yield?" The farmer said, "About 65 bushels to the acre." I said, "How much did you raise per acre before we

showed you how to raise more and sent you the hybrid corn and fertilizer?" "Oh," he said, "about 20 bushels." Well, that is true, not only of corn but of all farm crops all over the world. So we have shown the world how to do the job and we have had this great giveaway program which has been going on all these years, and now the chickens are coming home to roost. Maybe we were justified from a humanitarian standpoint. I hope history will prove it was worth the cost and effort but sometimes I wonder. Now we wonder, are we going to solve the problem before us. Well, we knew this day was coming, but we were hoping that something would happen that would solve the whole problem by some miracle.

Since we have been talking about these reduced farm prices, let me remind you when the drop started. It started on February 1, 1951, when Mr. DiSalle, then Director of OPA, arbitrarily said that, "On July 1 next I will roll back cattle price 10 percent." Now, the drop in farm prices did not wait until July 1 for obvious reasons. They started to toboggan from the date he announced he would roll back cattle prices. Then he said, "I am going to roll them back another 10 percent on November 1 of that year." But the Congress said, "You will not roll them back again." But the damage had been done. From that day on farm prices have been on the toboggan. You can call that politics if you want to, but those are the facts. Read the record.

I would like to ask the gentleman from Minnesota [Mr. H. CARL ANDERSEN] a question. You have \$37 million in the bill for agricultural research.

Mr. H. CARL ANDERSEN. In all of its phases, yes.

Mr. JENSEN. And then you have \$17,500,000 in the bill for plant and animal diseases and pest control.

Mr. H. CARL ANDERSEN. Pest control, yes.

Mr. JENSEN. What percent is transferable?

Mr. H. CARL ANDERSEN. Seven percent.

Mr. JENSEN. So if you have a bad animal disease outbreak or a bad plant pest condition in some area, the Department can spend for any particular outbreak of pests or disease 7 percent of the \$17,500,000, or \$1,225,000?

Mr. H. CARL ANDERSEN. There is more money transferable in the pest fund than the general fund, unless I am mistaken.

Mr. JENSEN. For instance last year we had had a very bad corn borer infestation in southern Iowa; now 7 percent of the \$17,500,000, or \$1,225,000, could have been spent by the Department for controlling the corn borer. Is that right? And is not the same true under the provision of this bill?

Mr. H. CARL ANDERSEN. That is approximately correct.

The CHAIRMAN. The time of the gentleman from Iowa has again expired.

Mr. WHITTEN. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. MURRAY].

Mr. MURRAY of Illinois. Mr. Chairman, I would like to compliment the members of the committee, particularly with respect to the appropriation made for the school-lunch program. However, I did want to request a bit of information from the chairman of the committee.

Recently the State Department was so anxious to keep us informed as to their activities that they sent me a beautifully printed copy of the Yalta papers about a week after I had read them in the Chicago local papers. About a month ago, at the request of one of the Nation's most able law-enforcement officers, John Gutknecht, states attorney of Cook County, I wrote the Department of Agriculture requesting that they make available to me an audit they were making with respect to the reasonableness of distribution charges for commodities made available by the Federal Government to the State of Illinois under the school-lunch program. In reply to my request they advised me in part, and I quote:

We regret that we cannot honor your request for a copy of the above-mentioned audit. This decision is in keeping with the departmental policy concerning restricted availability of certain confidential records, and we are sure you can understand the reasons why such material cannot be released.

The only reason I can understand for not making the audit available is lack of funds to type the audit. Since the action of the State Department with respect to the Yalta papers indicates that the administration is most anxious to keep Congressmen informed, the only conclusion I can draw from the refusal of the Department of Agriculture to keep me informed on this important matter is lack of funds. So I would like to request the able chairman of the subcommittee, the gentleman from Mississippi, to tell me whether in his opinion there is sufficient funds in the school-lunch program to enable the Department of Agriculture to keep the Congress informed as to their program.

Mr. WHITTEN. I will say there is no shortage of funds.

Mr. MURRAY of Illinois. I thank the gentleman.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. PHILLIPS].

(Mr. PHILLIPS asked and was given permission to revise and extend his remarks.)

Mr. PHILLIPS. Mr. Chairman, this matter of the report and its reference to the Secretary of Agriculture has been pretty well discussed. My intent is to make a technical point because it is important that we get all this in one package.

In reading the report for the first time, subsequent to the meeting of last Friday morning, I observed this statement on page 2:

While a majority of the committee is of the opinion that reduced supports do not meet the basic factors causing the present farm situation, the Secretary of Agriculture now has the flexible price support laws he has requested, and parity levels and formulas are being changed accordingly. The outlook is for still further declines in

net farm income in 1955 due to the reduction in acreage of controlled crops and the low prices of nearly all farm products.

Mr. Chairman, I want to go on record immediately against this statement. This now becomes a permanent record. It would appear there was no opposition to it; that it was read to a committee of 50 members, and that at least 26 members approved it.

I served for 2 years on this particular subcommittee, Mr. Chairman, and I know how it operates. I think on the money items, it did a good job.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield, gladly.

Mr. H. CARL ANDERSEN. I want to say that I recall with pleasure the service of the gentleman on this particular subcommittee, and I regret that he is no longer a member of our subcommittee.

Mr. PHILLIPS. I regret it too, I will say to the gentleman from Minnesota.

The point I am making is only this—and I do not want to belabor it, but this becomes a matter of permanent record and while the gentleman from Mississippi has said very courageously and very frankly that he assumes full responsibility for the report, that it is his report, people reading this—

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the chairman of the subcommittee.

Mr. WHITTEN. I did not mean to say that; I mean there is little in the report that I would change, that it reflects my views. I did think that it reflected the views of the subcommittee, but the important thing is that it reflects the facts.

Mr. PHILLIPS. If the gentleman will let me finish I think he will not have any objection to my statement.

The point is that this will become a matter of permanent record. When we speak of these reports of the committee we do not mean the subcommittee, we mean the full Committee on Appropriations. Somebody could read it and say: "Look here, a widely respected subcommittee brought in a report and 26 or more members of the full Committee on Appropriations were critical of the Secretary of Agriculture at the time." As a matter of fact, no effort was made; there was no means of making a finding as to whether or not 26 or more people agreed with it, and my own opinion is perhaps just as personal as the chairman, that 26 people did not agree. Certainly the majority of the people in the House have not agreed with it in the past as indicated by the votes taken upon the floor.

In reality, this report attempts to load upon the shoulders of the Secretary of Agriculture a responsibility which is our responsibility. It is a neat trick, but I do not think it can be done, and I honestly do not think it was intended that way. If we were to reenact a law requiring 90-percent support prices, we would price our commodities out of world markets. When we tried to do that in the past, we cut our export sales, and with export sales cut domestic production had to be cut. Anyone could have

predicted the outcome, and, as a matter of fact, the present Secretary of Agriculture did predict it.

We should ask ourselves: What would we think of a businessman who priced his products above the market level, then berated his salesmen because sales dropped off and the plant had to shut down?

Mr. Chairman, there is another matter I want to bring up. I shall come back to this one later. I have asked for permission to extend my remarks. Over

TABLE 1.—Sec. 32 expenditures annually, by type of program, 1935-36 through 1951-54

[In millions of dollars]

Fiscal year	Commodity programs					School lunch cash payments ¹	Administrative expense	Total expenditures ²
	Purchase and donation	Export	Diversification	Stamp plan	Total			
1935-36	13.0	0.9	3.0		16.9		0.1	17.0
1936-37	11.6	.9	2.9		15.4			15.4
1937-38	46.1	.9	7.3		54.3			54.3
1938-39	67.3	9.8	2.6	0.1	79.8		1.3	81.1
1939-40	118.2	47.2	3.1	16.7	185.2		1.6	186.8
1940-41	84.4	10.6	13.2	104.0	212.2		4.6	216.8
1941-42	49.0	10.6	7.3	115.8	182.7		7.0	189.7
1942-43	15.0	6.7	15.2	49.2	86.1	1.0	6.5	93.6
1943-44	15.0	1.3	6.7		23.0	33.7	3.8	60.5
1944-45	9.1	4.2	.5		13.8	45.4	3.6	62.8
1945-46	6.2	20.3	3.8		30.3	56.6	4.0	90.9
1946-47	16.2	33.7	21.8		71.7		3.5	75.2
1947-48	45.4	19.9	8.0		73.3		1.8	75.1
1948-49	25.8	27.0	.5		53.3		2.3	55.6
1949-50	41.7	24.6	7.3		73.6		3.9	77.5
1950-51	13.5	24.9	(³)		38.4		3.7	42.1
1951-52	33.2	16.8	1.3		51.3		3.0	54.3
1952-53	55.7	11.5	.7		67.9		3.4	71.3
1953-54	187.9	13.0	1.0		201.9		3.6	205.4

¹ Excludes transfers of \$215 million from 1946-47 through 1948-49 by legislative action to finance operations under the National School Lunch Act.

² Excludes transfers to other uses by legislative action, allotments, and transfers to cooperating agencies. From 1935-36 through 1951-52 these transfers amounted to \$561 million and \$41 million respectively.

³ \$2,000.

The two highspots were, first, the last administration, when the expenditures from section 32 funds ran to \$219.2 million a year, and last year, under Secretary Benson, when they totalled \$205.4 million, which is a pretty good expenditure from those funds. That statement is not accurate and I am sorry it is in the report.

If anybody knows what the attitude of the Congress is on this point of pricing our surpluses on the world market, it is the gentleman from Mississippi. In January 1954, the gentleman from Mississippi introduced H. R. 7490 and H. R. 7545 which would have directed the CCC to sell surplus agricultural commodities at competitive prices in the world market. On March 5, 1954, the gentleman introduced H. R. 8253 which would continue price supports on the January 1954 levels so long as surplus commodities were not offered on world markets at competitive prices. As the gentleman would be the first to say, none of these were reported out of committee.

Furthermore, on January 27, 1954, the distinguished gentleman from Mississippi offered two amendments here on the floor of the House to a resolution to discharge the indebtedness of the corporation. That resolution came out of the Committee on Appropriations. The first amendment the gentleman offered would have directed the Corporation to sell all of the commodities owned by it

on page 10 of the report I found another paragraph to which I take exception on the basis of facts. That is the paragraph which states:

The committee deplores the Department's failure in recent years to use section 32 to support markets temporarily in distress.

As a matter of fact, I do not think that is intended to read the way it does read at all, because I have here, and will put in the RECORD, the actual expenditures from those funds in the past few years.

and not essential to the national security for sale outside the United States at prevailing world prices. The second amendment would have directed the CCC to offer commodities at least equal in value to the amount of the indebtedness. Both of these proposals were stricken out on points of order made by the gentleman from Washington [Mr. HORAN].

Now, therefore, the only record we have is not a record of the committee or the House being in support of the proposal, as stated in the present report. It is a record that the House is not in support of the proposal.

Had the Secretary of Agriculture done what the Congressman suggests, the cost of export subsidies would have been staggering.

The Government would have had to buy a substantial part of the domestic crop at the high support prices, and sell a part of it abroad. Instead of supporting the market, which was the intention when we created the CCC, the Government would have become the market. Private trade would have dried up. Exports would have become the responsibility solely of the Government.

What the Congressman from Mississippi proposes is in reality a two-price plan, and I am a supporter of the idea of two price disposal of surpluses, but not at the expense of the taxpayers generally, that is, by Government subsidy,

and without regard to the effects on world markets.

I would refer to wheat as an example, but the gentleman from Kansas [Mr. HOPE] has already covered this. It is an example of what I am talking about.

What the gentleman from Mississippi says is, "Go ahead and get the stuff out of the country and let the farmers go ahead and produce."

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Mississippi.

Mr. WHITTEN. May I say to the gentleman that I introduced all of those bills making it compulsory without any desire to control by law, because they would not use the discretion and the authority that they have now, trying to point out the fact that they have authority to sell. I want a change in policy not a law. In that connection, if this debate today has made the American people aware that this Corporation and the Department of Agriculture have authority to sell in world trade competitively, these billions of dollars worth of commodities it will certainly not have been in vain. I checked the speeches of Mr. Benson, the Secretary, and his associates and releases of the Department, more than 600 of them, for the first 2 years and not in a single one was it ever stated that the Department had authority to sell in world trade at a truly competitive price. In January, when I had the Secretary before me, this year, 2 years after he had been in this position, I said, "Mr. Secretary, don't you know that you have authority under the charter of the Corporation to sell at a truly competitive price?" He looked puzzled, and he said, "I presume. I think so." He turned to his attorney, the solicitor of the Department, then and said, "There is no restriction for sale on the world market." That is the first time, and it is borne out by the record. I have the record before me.

Mr. PHILLIPS. I am not questioning the gentleman's reading of the record.

Mr. WHITTEN. I can cite the page and the chapter in the hearings. But, the point I am making is that these bills that the gentleman has reference to are an effort to get him to use his discretion.

Mr. PHILLIPS. My point is, as the gentleman knows, the Congress has not yet decided the issue, as presented by the gentleman from Mississippi.

Mr. WHITTEN. Let me say that there are two things. Now, the Corporation has authority to support and authority to sell at any price. They have not used that latter authority. The bills I had were not because I wanted to control by fixed law, not to force them, which is a separate thing from getting him to use his discretion in view of present conditions.

Mr. PHILLIPS. I want to say this, had we followed the policy now which is contemplated in this report, then we would have had a very different situation.

If Secretary Benson were endeavoring to discredit the farm program, I know of no quicker way to do that than to dump our surplus commodities abroad,

break world markets, alienate friendly nations, turn the farmers loose to produce all they want at a high price, and incur prodigious losses.

The Secretary has discretionary power to offer surplus products on export markets at world prices. He is exercising that discretion wisely.

The Department of Agriculture, in my opinion, has pursued a wise and statesmanlike course. CCC disposals have increased sharply in recent years, as follows: 1952, \$676 million.

Mr. WHITTEN. Did I understand the gentleman to say "disposals" or "sales"?

Mr. PHILLIPS. I said "disposals."

In 1953, \$745 million, and in 1954, \$1.4 billion.

I submit that there is no export policy that could move, in a short period, the prodigious surplus stocks created by mandatory price support at 90 percent of parity.

Let us face it: If we are going to support prices consistently above the world level, we will price ourselves out of world markets and will have to shrink our acreage. No political sleight of hand can transfer responsibility for that outcome from those who vote for the high supports.

I think the Department is really trying to do a good job.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. GUBSER (at the request of Mr. H. CARL ANDERSEN) was given permission to extend his remarks at this point in the RECORD.

Mr. GUBSER. Mr. Chairman, one of the most lucrative investments this country has ever made is the dollars we have paid out for agricultural research. Because of research, farmers have experienced phenomenal increases in their ability to produce. Research has taught farmers how to irrigate, to fertilize, and to combat diseases and pests. Because of research we have disease resistant and more highly productive seed. We have better tools and a greater production per acre. By increasing production, agricultural research has helped to win our wars and raise our standard of living. Every dollar invested in agricultural research has come back 100-fold with interest.

Price supports and agricultural conservation payments have probably helped agriculture, but, as a farmer, let me say that I would gladly sacrifice both programs if it were necessary in order to keep a good research program going. You may keep every other payment and guaranty, but give me the information and the knowledge with which I can do a better job for myself.

Because of my intense interest in agricultural research and because I consider money spent for such purposes to be a good investment, I investigated the research portion of this appropriation bill very closely. I find that the budget as proposed by the Department of Agriculture would have increased the spending on research projects by \$1,862,000. This increase has been cut by committee action to \$1,178,000, or a cut of \$684,000. I pointed out in all fairness that the committee has been most generous and this

is actually an over-all increase over last year, though the increase is smaller than the Department had requested.

After securing the above figures, I called the Department of Agriculture and made inquiries as to which of the proposed increases would be curtailed as a result of the \$684,000 reduction in research. I was given a list of some 18 programs which would, by reason of the decrease, have to be increased by a smaller amount than proposed. Included in this list was a cut in the research on virus diseases of fruits and vegetables of \$25,000. Also included was a cut in the Mexican fruitfly research program of \$62,000, and a cut in the research program on resistance of insects to new insecticides of \$50,000. Let me again emphasize, in all fairness, that this is a cut of a proposed increase of last year.

Mr. Chairman, these three programs are of vital importance to my district. Virus diseases are a constant threat to our farming economy and the Mexican fruitfly situation is most alarming. Because of the discovery of new insecticides and the fact that the resistance of insects to these materials is not known, this program of research is of vital importance to many fruit and vegetable producing areas.

Realizing the importance of these programs and feeling that their orderly and contemplated expansion would not be possible under the committee proposal, I caused amendments to be prepared which, if passed, would restore the contemplated increases of the Department. I consulted with the gentleman from Mississippi [Mr. WHITTEN] regarding these amendments, and the gentleman from Mississippi [Mr. WHITTEN] assured me that it was not the intention of the subcommittee to curtail the orderly and contemplated expansion of these three research programs. The gentleman from Mississippi [Mr. WHITTEN] assured me that the decrease of \$684,000 in no way reflected the desire of the subcommittee to reduce these specific programs. Rather, it was contemplated by the subcommittee that the programs could be expanded as planned and the increases paid for out of funds saved from the curtailment of other less essential programs.

Therefore, since it is the intent of the subcommittee to continue these programs and since I have confidence in the judgment of the committee, I have decided against presenting my amendments and will support the committee bill as presented.

(Mr. COON (at the request of Mr. H. CARL ANDERSEN) was given permission to extend his remarks at this point in the RECORD.)

Mr. COON. Mr. Chairman, I want to say a word in support of the \$12 million recommendation for small watershed development in the 1956 Department of Agriculture appropriation bill. This is \$1 million more than the budget estimate and \$4,790,000 above the 1955 appropriation.

Under the small watershed program local groups work with the Federal Government in financing and operating upstream watershed work. While we have paid much attention in past years to

major dams on the main stems of the rivers, we have neglected the upstream structures that can save the water near the source and play an important part in conservation of water and land. There is a limit of 5,000 acre-feet in programs that can be undertaken under this law.

I believe this budget increase is justified because of the great success of the pilot phase of this program and because of the spectacular response of the local people when offered an opportunity to help themselves in conserving their resources. A total of 65 pilot projects were authorized in the 1954 appropriation bill. Of these, 60 are now under construction or are ready for construction. About \$5 million in public money was available last year for this program. A total of \$5½ million of local funds was offered to match this—more than the Federal Government could match. In the coming fiscal year a total of \$8½ million in local funds is expected to be available for the pilot programs.

I think that the officials of the Department of Agriculture deserve high praise for the speed with which this program has been started, and I am pleased to see the willingness of the local people to help themselves when this is made possible.

Under the regular small watershed program, as authorized by the Hope-Aiken watershed bill, a total of 300 applications, approved by local State organizations, are now pending in Washington. Of these, 43 have already been approved by the Department of Agriculture. An additional 600 applications are being considered in the States. I am told that about a dozen of these applications are from my home State of Oregon.

Thus, in the space of about 3 years, nearly a thousand projects are actively being considered.

A program like this one, Mr. Chairman, is not only good and desirable in itself, but its almost instant success gives a clear indication of the willingness of the people to follow the lead of the Federal Government when it presents them with a simple program of giving the Government back to the people. Efforts are being made in school legislation, in road construction, and in hydroelectric-power development to return to local groups responsibilities they are willing and able to carry. These other programs are bigger and more complicated and thus take more time to work out. They are harder for the people to understand at first. But the response to the small watersheds program shows that when the people do understand they respond. This response is a vote of confidence in the Eisenhower policies.

I might even say that the Democratic majority in the Appropriations Committee, by increasing this appropriation, have given endorsement to the principle of the President's power partnership program.

Because of the desirability of this program, therefore, and because of its outstanding success, I urge that the full \$12 million be appropriated by the House.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 1 minute to the gentleman from Iowa [Mr. HOEVEN].

(Mr. HOEVEN asked and was given permission to revise and extend his remarks.)

Mr. HOEVEN. Mr. Chairman, the bill before us is a good bill and apparently is not engendering much opposition. I regret, however, the political implication running through the committee report. Although I do not always agree with Secretary Benson, I think he is an honorable man who is doing his utmost to do a good job. We must not forget that he only administers the laws which are written by the Congress.

The committee on page 10 of its report says it "deplores the Department's failure in recent years to use section 32 to support products temporarily in disaster." I do not find such claim supported by the facts. Information furnished me by the Department of Agriculture indicates that the total expenditures of section 32 funds for the fiscal year 1953-54, amounted to \$205.4 million. This is 4½ times the expenditure made in fiscal 1950-51; 3½ times the amount expended in fiscal 1951-52, and 2½ times the expenditure of fiscal 1952-53. I submit these figures just to keep the record straight.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 7 minutes to the gentleman from Colorado [Mr. HILL].

(Mr. HILL asked and was given permission to revise and extend his remarks.)

Mr. HILL. Mr. Chairman, I, too, with the previous speaker, appreciate the fine work of the Committee on Appropriations and especially the subcommittee in bringing out this bill carrying the amount of money that it does for our agricultural work. I am quite amazed, after 15 years' service in this body, to have an appropriation bill discussed all afternoon with no one mentioning money, what was given for this program or for that activity, after all, I am quite pleased.

The arguments and the debates have been on how the Secretary of Agriculture should run his business or our business. After all, that seems natural to me, a former Secretary of Agriculture from our State. I thought I ought to have been told how to operate the Department of Agriculture.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. WHITTEN. I was just as active in those days trying to tell him as I am now, in the same kind of situation.

Mr. HILL. Exactly. I am afraid that the gentleman said just as many good things about him as I did myself. But here today I am pleased to say a few words in adulation, if I may use that word, of the Secretary of Agriculture and the fine work that he had been doing in our area, especially in connection with the Farmers' Home Administration. The Farmers' Home Administration has gone to the rescue of both Democrats and Republicans. I, for one, agree with what was said a while ago that this is

no place for partisan politics. Certainly, of all the programs that this Congress has had to deal with since I have been a Member, there is none that stands higher in the scale of nonpartisan activity than that which is done by the Committee on Agriculture, on which I serve, and the Appropriations Subcommittee for Agriculture.

Why should agriculture be Democrat or Republican? Let me ask another question which goes along with what is in my mind. Why should agricultural legislation have to do with any particular section of this country more than any other section? Why should the geography of agriculture affect our legislation?

I am afraid sometimes in listening to this argument that some of our friends are convinced that certain areas producing certain crops are entitled to preferences over other areas in this country. I firmly and 100 percent disagree with that attitude as to any crop. Mr. Chairman, you are looking at a Congressman who has never had a peanut grown in his area and yet I have never come down into the well of this House to find fault with the peanut program.

But we may have difficulties in some areas of agricultural production, such as beets and sugarcane. We could be in difficulty. Wheat is already in difficulty.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. SHORT. I think the gentleman from Colorado [Mr. HILL] is 1,000 percent correct. I want to ask him this question. We have six so-called basic crops: rice, corn, cotton, wheat, peanuts, and tobacco. Those crops receive high-price fixed-parity payments or supports. Is it fair to force the dairy farmer, who represents the single largest and most valuable branch of agriculture, and the poultry raiser to sell their products on a lower scale than that received for these other commodities?

Mr. HILL. My answer is there is nothing fair about it. There never was in the first place. If the gentleman can tell me why potatoes should not be more of a basic crop than peanuts, or on a higher scale than rice?

Mr. SHORT. That is quite true, because the dairy farmer, certainly in my section of the country, and the poultry raiser, cannot pay the high prices for feeds supported by high fixed parties and then be forced to sell their products on a lower level. Many of them are going broke. All branches of agriculture should be treated fairly.

Mr. HILL. Let me get back to what I intended to talk about, which is the Farm Home Administration. I wish to compliment the chairman of the subcommittee on the fine hearings you have had on this bill on the work of the Farmers' Home Administration, beginning on page 1508 and continuing for 100 pages. It is a wonderful record that organization has made. I know some things they should do that they have not done, but at the same time their work has been

excellent. Then in your report on page 25 you carry a full paragraph on what fine work the Farmers' Home Administration is doing.

Frankly, I confess to you that in 1953 if the Farmers' Home Administration had not come to the rescue of our livestock producers in the Far West and the Southwest we would have been in real difficulty.

Here I hand a compliment to our Agriculture Department, that I think our whole livestock industry has been handled probably as well as any agriculture program.

I will close my few remarks by saying I appreciate the work of the subcommittee on this agricultural appropriation. I am also appreciative that no one here has said anything about the amount of money the Agriculture Department is going to need or get. It is a fine thing when an appropriation committee can bring in a bill where money is the smallest part of it.

The Farmers' Home Administration performs the following four major activities: First, to make direct and insured farm ownership loans to farm tenants, farm laborers, sharecroppers, and other individuals for the purchase, enlargement, or development, including farm housing and other building construction, of family type farms; second, to make production and subsistence loans to farmers and stockmen for farm operating expenses and other farm needs, including the financing of indebtedness and family subsistence; third, to make direct and insured soil and water conservation loans for the effective development and utilization of water supplies and for the improvement of farm land by soil and water conserving facilities and practices; and fourth, to make emergency loans to farmers and stockmen in designated areas where a disaster has caused a need for agricultural credit not readily available from commercial banks, cooperative lending agencies, the Farmers' Home Administration's regular loan programs, or other responsible sources. Technical guidance in planning and carrying out sound farm operations is provided borrowers on the basis of their individual problems and needs. No loans are made to applicant who can secure adequate credit from other sources at reasonable rates.

**WIND EROSION CONDITIONS, GREAT PLAINS—
SUMMARY OF LOCAL ESTIMATES AS OF MARCH 1, 1955**

A summary of local estimates indicates that nearly 5½ million acres of land has been damaged by wind action since November 1 of last year. About 90 percent of these damages were reported for the five Southern Great Plains States—the largest concentration being in eastern Colorado, where more than half of the entire acreage was reported. Much of this land was inadequately protected against erosion by wind due to the lack of vegetative cover, absence of crop residues, low soil moisture, and poor soil structure.

Land damages reported as of March 1 for the five Southern Great Plains States was 4,644,000 acres, of which about two-thirds was in Colorado. Estimates for

the other four States showed increases during the month of February, particularly in western Kansas and northwestern Texas.

The total acreage of land reported as damaged in the Northern Great Plains

was about the same as that of the previous month. The acreage damaged in Wyoming increased from 134,000 on February 1 to 361,000 on March 1. This was partly offset by decreases in estimates for Nebraska and South Dakota.

Land damages this season (as of Mar. 1, 1955)

States	Cropland	Rangeland	Other land	Total land
Southern Great Plains:	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>
Colorado.....	2,295,000	694,000	34,000	3,023,000
Kansas.....	504,000	10,000	11,000	525,000
New Mexico.....	78,000	73,000	1,000	152,000
Oklahoma.....	228,000	0	10,000	238,000
Texas.....	568,000	118,000	20,000	706,000
Subtotal.....	3,673,000	895,000	76,000	4,644,000
Northern Great Plains:				
Montana.....	64,000	6,000	6,000	76,000
Nebraska.....	112,000	29,000	7,000	148,000
North Dakota.....	44,000	1,000	0	45,000
South Dakota.....	11,000	0	0	11,000
Wyoming.....	68,000	277,000	16,000	361,000
Subtotal.....	299,000	313,000	29,000	641,000
Grand total.....	3,972,000	1,208,000	105,000	5,285,000

Nearly four-fifths of the estimated land damages have occurred on cropland. Range and other lands have also blown where there was insufficient vegetative protection. Land damaged by wind blowing in the Great Plains as a whole increased about 800,000 acres during February, and about 1,200,000 acres since January 1. These increases in land damages were mainly in localized areas where the combinations of land use, soil, and weather conditions resulted in severe soil blowing.

LAND IN CONDITION TO BLOW

In addition to the land already damaged, the estimated acreage in condition to blow in the Great Plains on March 1

was about 20 million, a decrease of nearly 2 million acres since February 1. It was estimated that the crop residues, soil structure, surface roughness, or vegetative cover on this land was inadequate for protection against blowing. About 17 million acres of the total were reported for the 5 southern Great Plains States, the largest acreage being in the critical areas of Kansas and Texas. Estimates in acreage of land damaged, plus that likely to be damaged, has decreased slightly since January 1 due to revision of local estimates. However, this total of damaged land and land in condition to blow was still about 26 million acres.

Land in condition to blow (as of Mar. 1, 1955)

States	Cropland	Rangeland	Other land	Total land
Southern Great Plains:	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>
Colorado.....	2,148,000	1,234,000	207,000	3,589,000
Kansas.....	5,274,000	607,000	75,000	5,956,000
New Mexico.....	491,000	705,000	0	1,196,000
Oklahoma.....	1,162,000	149,000	25,000	1,326,000
Texas.....	4,261,000	688,000	100,000	5,049,000
Subtotal.....	13,336,000	3,383,000	397,000	17,116,000
Northern Great Plains:				
Montana.....	440,000	68,000	13,000	521,000
Nebraska.....	585,000	135,000	23,000	743,000
North Dakota.....	310,000	4,000	1,000	315,000
South Dakota.....	78,000	5,000	2,000	85,000
Wyoming.....	145,000	1,554,000	31,000	1,730,000
Subtotal.....	1,558,000	1,766,000	70,000	3,394,000
Grand total.....	14,894,000	5,149,000	467,000	20,510,000

Of the 20 million acres still in condition to blow, nearly 15 million acres were on cropland. Nearly half of this cropland is in wheat which has not made sufficient growth to provide ground cover.

CROP DAMAGES

Estimated damages to growing wheat was about 1,390,000 acres on March 1, an increase of nearly one-half million acres during the month of February. Three-fourths of the total acreage of crop damage was reported for Colorado and Kansas.

MOISTURE CONDITIONS

Weather Bureau charts indicate that during February the critical wind erosion

areas in Colorado, Kansas, Oklahoma, and Wyoming received the normal precipitation ranging from one-half to 1 inch; whereas, those in Texas and New Mexico received much less than normal precipitation. In the Northern Great Plains precipitation was generally adequate, varying from normal to more than twice the normal amount.

During February, the precipitation was insufficient to replenish soil moisture supplies. The top 12 to 18 inches, for many places in the critical wind erosion areas, were still very dry. In general, the drought conditions persist, but a few areas appear to have enough reserve

ground moisture to carry the growing wheat through the spring months.

WINDSTORMS

February was generally a quiet month as relatively few damaging windstorms occurred, nor did they reach the velocities of those experienced last December. The windstorms that did occur at most locations in the critical wind erosion areas were also of shorter duration.

EMERGENCY TILLAGE

Since November 1, farmers have emergency tilled nearly 3 million acres, more than 1 million of which was accomplished during February. About half of the total acreage reported was in Texas and other substantial amounts for Kansas and Colorado. Reports from many areas indicate that the freezing and thawing process has caused the clods on the surface to disintegrate and disappear. This situation, together with dry and powdery surface soil conditions, renders more emergency tillage operations impractical in some areas.

SUMMARY

Land damaged by wind action, mainly in the Southern Great Plains, was nearly 5½ million acres on March 1, an increase of about 800,000 acres during February. Land in condition to blow decreased slightly to an estimated 20 million acres. Land conditions continued hazardous as this large acreage is subject to damages because of depleted crop residues and inadequate cover conditions.

Mr. WHITTEN. Mr. Chairman, I yield 3 minutes to the gentleman from Arkansas [Mr. HAYS].

(Mr. HAYS of Arkansas asked and was given permission to revise and extend his remarks.)

Mr. HAYS of Arkansas. Mr. Chairman, on page 16 of the report there is a reference to the Commission on Intergovernmental Relations often referred to as the Kestnbaum commission. In the interest of accuracy, may I supplement those comments. The attitude of the Department of Agriculture is referred to and "the reported position of the Commission" is briefly described. I make reference to it only for the purpose of having the RECORD show that the reported position of the Commission is in reality the position of a task force of the Commission. I am sure in reading the context that would be understood.

Mr. WHITTEN. To me it is clear that it was a task force of the Commission.

Mr. HAYS of Arkansas. Yes. I might say that five Members of the House were appointed to the Commission when it was established by the 83d Congress: the gentleman from Iowa [Mr. DOLLIVER], the gentleman from New York [Mr. OSTERTAG], the former Member of the House from Massachusetts, Mr. Goodwin, the gentleman from Michigan [Mr. DINGELL], and myself. I can assure the House that the views attributed to the task force committee have not been approved by the Commission; in fact, no report on that phase of the Commission's study has been agreed upon. I trust that the House will reserve judgment on the important studies being made by the Commission on Intergovernmental Relations.

I have been following this discussion very closely, partly because I am serving as a member of the Subcommittee on Foreign Economic Policy of the Committee on Foreign Affairs. It has been very helpful and it demonstrates the complicated interrelationships of this world we are living in. We must do some things to help our friends in Asia through the point 4 and other types of assistance, but we must do it without damage to our own producer interests.

I am from a State that produces exportable commodities, cotton* and rice. There are eager markets for our rice. There are high-consuming populations that want our surplus food. But just as the gentleman from Minnesota [Mr. Judd] described a moment ago, we could damage our relationship with other countries very materially if we do not consider the effects of unsound trade policies that are based exclusively on economic considerations. While we help our producers, we would complicate our foreign policy problem. So we have these two pressures—one, of necessity, to protect our foreign policy and avoid a situation which will be exploited by the Communists, and at the same time to help our own producers. I thank the gentleman from Mississippi and his able committee for what he has brought out about the stake that we have in the stabilizing of world conditions so that these markets are protected and our foreign policy is served. Actually, I am not speaking hypothetically when I speak of the occupying of markets once held by friendly allies for American producers. We have actually had that happen. We must not let the Communists take advantage of that situation.

Mr. CARNAHAN. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield.

Mr. CARNAHAN. I thank my colleague, the gentleman from Arkansas, for yielding me this time. I want to compliment him as always on the helpful and constructive statement he has made. I have asked for this time to express my own appreciation to the committee for the excellent handling of this piece of vital legislation. I am especially pleased with the increased appropriation for watershed protection and flood prevention under the Soil Conservation Service. And for added emphasis, I would like to read briefly from the committee report. I quote:

The committee is firmly opposed to the subordination of the Soil Conservation Service to any other agency.

I appeared before your committee in support of the school-lunch program, and I am glad to note that the committee restored the proposed cut of this item so that the school-lunch program will be supported at its present level of \$83,236,197. The committee is fully justified in this commendable action. Again I thank the gentleman from Arkansas for yielding to me.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 3 minutes to the gentleman from North Carolina [Mr. JONAS].

Mr. JONAS. Mr. Chairman, I have asked for this time simply to register my concern over the proposal which the

gentleman from Mississippi has made today and on frequent occasions in the past. This proposal seems to be a two-price system for agricultural products.

I come from a cotton-producing section of the country and from a section that has developed rapidly in the field of textile manufacturing in recent years. It is important that all of us who deal with this problem understand and remember that the domestic textile industry is the best customer of the cotton farmer of the United States. The cotton mills of this country consume about two-thirds of all cotton produced in the United States.

The textile industry today is faced with severe competition for world markets and, indeed, for domestic markets from low-wage countries around the world.

The proposal that we sell our surplus cotton abroad to textile mills that are in direct competition with the textile mills in this country, and at a price less than the textile mills in this country have to pay for it, would place an additional burden upon our already heavily burdened textile industry. Is not it enough that the domestic textile industry must compete for world and domestic markets with countries whose wages rates average only about one-tenth of ours, without giving the foreign competitors an additional advantage of being able to buy cotton produced in the United States at a price less than our own mills have to pay for it?

There is another danger involved in this proposal to which I would like to call attention. I refer to the problem facing the cotton farmer who is encountering stiffer and stiffer competition from synthetics. The trend toward the use of synthetics is dangerous enough to the cotton farmer under existing circumstances, and I am afraid the proposal of the gentleman from Mississippi would increase that danger. If to the competitive disadvantages that now face our cotton mills from low-wage countries abroad, is added an additional competitive disadvantage in the form of having to pay higher prices for cotton produced in this country than their foreign competitors pay, I am afraid we may find the cotton manufacturer in this country turning more and more to use of synthetics. This seems to me to be a very real danger and one which should concern those who are interested in textile manufacturing as well as those who are and have been engaged in the business of growing cotton in this country.

While I cannot debate this subject with the gentleman from Mississippi in the few minutes available to me today, I asked for this time in order to indicate my concern about it, and on some future occasion, if we both have the time, I would like to go into it further with him because it just seems to me that the proposal he has advanced is fraught with grave difficulty, not only for the textile manufacturer but for the cotton farmer himself.

(Mr. JONAS of North Carolina asked and was given permission to revise and extend his remarks.)

Mr. WHITTEN. Mr. Chairman, I yield myself 4 minutes.

If I may have the attention of the gentleman from North Carolina, I appreciate the concern which the gentleman has. I have it too.

I would like to explain what is involved here as I see it. In the first place, if high American costs make it essential to have any price-support system, you are going to have to permit the sale of what is produced in world trade competitively, or you do not sell it, and you are cut back to the domestic market. That is what is happening now. In other words, if the cost or support level is above the world price, you are going to have to sell United States commodities competitively or you are cut back to the American market. Under what I have suggested the Department of Agriculture would have full charge of how much they offer and how often they offer it. The Department could even say how low a bid it would accept. They would have full control under the law, and they have it now, to say how low a bid would be acceptable. They would have the right to turn down all bids.

The other point I would like to make, which is of real serious concern to the textile mills, is this: If we hold this umbrella over world production so that the American producers can go into Africa and into Mexico and Peru—and they are doing it now—then that will provide for foreign textile mills a source of cotton from low-cost areas. Then you lose all your foreign markets. Your problem is just as serious under the present bill as the cotton producers. Unless we get the Department to change its policy, United States production is being moved overseas. In a short time the same thing happens to the textiles. The best suggestion I have heard is that if you were to sell these commodities in world trade on true competition and have two price systems resulting, your domestic mills should be authorized to buy an amount at the world price—equal to that necessary to provide their normal exports. You are just as much in danger under present policies as is the cotton farmer. It is not an easy thing to work out, but if they follow the suggestion I have made—and that is nothing new—what I recommend is carrying out the authority under the present charter of the Corporation—they have the full right to govern how often and how much and to set the limits as to how far down it will go. If we do not get some relief you will be in the same fix in the textile mills as the cotton farmer is now.

Mr. JONAS of North Carolina. If the gentleman will yield, the domestic textile industry is sick today. We used to be the world's largest exporter of textiles.

Mr. WHITTEN. In being sick you have not got anything on the cotton farmer either.

Mr. JONAS of North Carolina. That is correct.

The textile industry is the greatest customer of the cotton farmer in America.

Mr. WHITTEN. But it is not in good condition now, as you have so well said.

The cotton farmer is not in such good shape. It is time to try to correct these things and I have urged the use of existing law, where the Department controls every action that it takes, as to how much, how little, how often, and how far they will go so that the interests of the mills can be protected and in the future, cotton production and the textile industry will not be moved overseas.

The CHAIRMAN. The time of the gentleman has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, the thing that has surprised me in connection with this bill more than anything else has been that the gentleman from Mississippi [Mr. WHITTEN] seems to have been peeved at the Commodity Credit Corporation and the new manager of the Corporation, yet he has done more to get stuff out of that place than anybody else who has preceded him.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I would think he would be slapping him on the back instead of hammering him.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes; I yield to the gentleman.

Mr. WHITTEN. May I say that my difference with the Corporation—and I have the highest regard for these people personally—is that that is exactly what they are doing. They are getting rid of things so rapidly. The Corporation is not selling for dollars. It is all right with too many people to give these millions of dollars' worth of commodities away as long as it does not interfere with this world umbrella. The CCC is wasting almost as much money annually by failure to sell than it costs to run the Department. If you count what it gives away it is more.

I am surprised that so many of my good friends think you are not wasting anything if you give it away but that it is lost if you sell it for a little less than you have invested. So my difference with them is over the way they are disposing of it. I wonder when they give it away if they realize they are keeping this world umbrella over prices which moves our production overseas. Most of these commodities have not been offered in world trade competitively and really should not be classified as surplus.

Mr. TABER. Frankly, I myself have never favored the program, but I do feel that this accumulated surplus is a tremendous blight on the farmer. We are faced with this situation. We have got to get that stuff out of there somehow, some way, and not be carrying over from year to year enormous quantities of cotton, wheat, corn, and other things of that character. Unquestionably we have got to carry over some surplus as an anchor of safety, but frankly because the restrictions on production were not put in effect in time we have not begun to hit our stride in that direction yet. As compared with last year this year shows a tremendous increase of approximately 25 percent in every single item of com-

modity on hand in spite of all that has been done to move out more commodities. On top of that we have a situation here where the bill itself is \$100 million or approximately that above what was carried last year. The report itself shows that there was a \$75 million increase in the ACT proposition, and it also appears from the different loan authorities that \$25 million more was added for the rural-electrification setup. They are pretty well covered all over the country, and it hardly seems as if they would need that money.

Frankly, I hate to see the cost of government running up. The more it does, the more troublesome it gets to be; and the more we allow those commodities to run up, the more we create a menace to the farmers' prosperity. I do hope we are going to be able to bring about a change in the approach that will permit of something being done.

This bill contains permanent authorizations of \$168,590,000; loan authority of \$388 million; corporate expense of two items: \$1,634,000 and \$26 million; special activities of \$184,517,000; farm credit authorizations \$6,290,000; and the straight appropriations without a reappropriation, \$694 million. The reappropriation as I get it runs to at least \$35 million. It may run a little more.

Itemizing these figures they are as follows:

Permanent authorization-----	\$168,590,000
Loan authorization-----	388,000,000
Corporation expenses-----	1,634,000
	26,000,000
Special activities-----	184,517,000
Farm credit authorization----	6,290,000
Bill-----	694,000,000
Reappropriation-----	35,500,000
Total-----	1,504,531,000

Mr. Chairman, this billion and a half is altogether without whatever loss we will get on the operations of the Commodity Credit Corporation.

There is one thing I think we ought to realize in connection with this attempt to sell grain and other things across the water. There may be a little bit we can sell perhaps in a free market without taking too heavy a loss, but there is not too much because if there was any substantial portion of the surplus we have on hand it would absolutely wreck and destroy the economy of the countries that we crowded it on to.

The cotton picture is the worst because that would absolutely tend if we carried it out to destroy the cotton manufacturing industry in the United States. That I do not believe the gentleman from Mississippi or any of the rest of us want to bring about.

Mr. WHITTEN. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. MATTHEWS].

Mr. MATTHEWS. Mr. Chairman, I wish to congratulate the subcommittee for reporting this very excellent bill. Every facet of these appropriations for the Soil Conservation Service the Agricultural Extension Service, experiment stations, the REA, Farmers' Home Administration and other phases of the program permitting more marketing and research activities, will affect favorably

the life of the farmers of the eighth district of Florida, which I represent.

I particularly congratulate the committee for giving us an expanded school lunch program. I have asked for this time to direct a question to one of the gentlemen of the committee. I wonder if the gentleman from Minnesota [Mr. MARSHALL] could give me some information about this.

I have a letter from the Superintendent of Public Instruction of the State of Florida stating that some of the funds for section 32 commodities have been reverting back to the United States Treasury yearly. He states a bill is now being considered which would make a portion of these unused funds available to States as cash reimbursement for the purpose of food products for the school lunch programs.

I wonder if this matter came to the attention of the subcommittee?

Mr. MARSHALL. This committee has been very much concerned because of the failure under these section 32 funds to purchase the commodities required in the school lunch program. We have been very blunt in our report. I may say to the gentleman that quite a considerable sum of money is being returned to the Treasury unused. I would further state to the distinguished gentleman that the only way section 32 funds could be distributed to the States is by purchasing the commodities and distributing the commodities, so therefore the Department of Agriculture has not seen fit to purchase the commodities in supply to be furnished to the States. Their funds then revert to Treasury.

Mr. MATTHEWS. I thank the gentleman very much, and I am glad the committee has insisted that all these funds be used for the school lunch program.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Chairman, certainly the debate here this afternoon has been interesting and informative, and I am glad that it has been that way. The hour is late. I do not know how much I might add to what has been said, because so many things have been said. However, I do feel some compulsion to say a few things about the bill and the report.

The gentleman from Colorado [Mr. HILL] spoke of the fact that there had been very little discussion of the matter of money in this bill. It is an appropriation bill. I did not hear any discussion of the money involved until I heard the remarks of the gentleman from New York [Mr. TABER], who raised certain questions as to the amounts, and from what I have been able to observe, I am not so sure but what a little attention to the money involved might have saved a little money for the taxpayers of the country. However, aside from that point and since so much that has been said here has involved the matter of agricultural policy and since the Committee on Agriculture has already undertaken and has in progress a study of this whole proposition of disposal and selling of accumulated surpluses, it might have been much better to have had the discussion take place at a more appropriate time.

At any event, what I believe, as I have read the report and listened to the debate, is that it is an unjustified and unsubstantiated assault and attack on the Commodity Credit Corporation and on our great Secretary of Agriculture. I am almost led to believe that possibly that is in here as a diversionary tactic as far as the issue of money is concerned.

Now, certainly, as we look at agriculture's situation in our economy, none of us are happy at the decrease in revenue. My district out in Indiana is, I suppose, half agriculture and half industrial, and I have just as much solicitude for the farmer's welfare as anyone in this House. And I know, too, that if the agricultural economy goes down, then it is inevitable that the whole economy goes down. So, we ought to strive for the kind of program that is just and sustainable and which will do the job that needs to be done.

Now, these surpluses that have piled up and about which most of the discussion has revolved, may I say, have developed under the 1948-49 act with the 90-percent rigid price-support structure. As we have gone along, we have seen the loss of foreign markets, and in those areas of our economy where we produce more than can be consumed at home the loss of foreign markets is a matter of vital concern.

There is another thing about which I am quite concerned, as I have listened to this debate and as I have read this report. The proponents of the 90-percent rigid price support—and the gentleman from Mississippi is one of the most effective, one of the most aggressive, and one of the most vocal—realize that, with upward of \$7 billion worth of commodities now in the hands of the Commodity Credit Corporation and more on the farms shortly to be acquired by the Commodity Credit Corporation, we are running into trouble, and there cannot be any mistake about it. We are concerned about what to do with those surpluses.

To my mind, this report, whether intentionally or not, is designed, somehow or other, to make the Secretary of Agriculture and the Commodity Credit Corporation the whipping boys to improve the situation that shortly we will face, I suppose, to reestablish the 90-percent rigid price support. But whether that is so or not, we have heard here a lot of talk about cotton. As I said earlier, I can understand the concern for cotton. If I understand the gentleman from Mississippi [Mr. WHITTEN] correctly, he wants the Commodity Credit Corporation to take over the direct sale of cotton. If that is correct, my view is that the Commodity Credit Corporation will be doing all of the buying and all of the selling, because his proposal indicates that Commodity Credit Corporation is to sell at some lesser price than has been heretofore the established going price. It was pointed out earlier, and it ought to be kept before us, that under the operation of this program cotton has been kept above the support price. I am quite sure that if we do what the gentleman from Mississippi wants to do, certain things will inevitably follow. The first will be that as you break the world price,

the price here in sympathy with that will begin to break. And if I represented a cotton-producing district that would not be a happy prospect for me.

Beyond that, as we subsidize it—and that is what it would have to be, because I assume the gentleman would want the cotton sold for less than what we paid for it—the American taxpayer would have to make up the difference.

Reference already has been made to the further injury that could be done to textile manufacturers in this country if the domestic producers of textiles have to pay 105 percent of parity for their cotton, and then you sell it to the foreign competitor at 50 or 60 percent of parity. In effect, what you would be doing would be to use the taxpayer's money to subsidize the foreign competitor of textiles of this country. How long do you think the textile manufacturers of this country would stand for that? What would be the ultimate effect when, as it was established here the other day, textile exports are 10 times that of textile imports? Would you not create a situation in which we would lose the export market that we have been able to hold onto for our manufactured textiles?

In other words, Mr. Chairman, this is a most delicate problem. I do not think it should be dealt with in this offhand manner. I do not think, if you will permit me to say so, that it ought to be handled in a manner I again say certainly smacked very strongly of a political attack when this report was forthcoming. I say that the Commodity Credit Corporation and the Secretary of Agriculture have been doing a good job. It is not as easy as it looks. The report speaks glibly of the great areas where there are dollars to be used to purchase our commodities. May I say that my investigation discloses that those areas are very few, indeed.

We have agreements with many nations in respect to dumping of all sorts of products. We must honor those. Foreign production has been going up and that poses a real threat. Maybe it can all be put off as some sort of a sinister operation of certain big producers in this country to move production to foreign lands. I do not think it can be quite that simply determined.

In other words, the Government has been trying to move these stocks, and the Government ought to do it, because I realize, wanting as I do a sound, prosperous agricultural economy, that these surplus stocks burden the domestic market.

As the gentleman from Kansas [Mr. HOPE] said, they threaten the economic balance of the whole world. And as long as they are with us they will continue to be a threat.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I want to call the attention of the gentleman to the fact that it is costing approximately \$700,000 a day merely to carry these inventories in the Commodity Credit Corporation.

Mr. HALLECK. Yes, but of course the report points out, at least by implica-

tion, that possibly we are continuing to store these commodities just because we do not want to sell them. I do not believe anybody takes that attitude in the Government. As a matter of fact, agreements have been negotiated with 5 nations, Yugoslavia, Turkey, Chile, Peru, and Pakistan, for the disposal of \$145 million worth of these commodities. Negotiations are on with other nations. I hope they continue. I hope we can find ways to dispose of these products because, as I say, they do broaden the market. But certainly it cannot be done in connection with the consideration of this appropriation bill. It cannot be done in closed hearings before the Appropriations Committee. I think it is a matter for the continuing study of the great Committee on Agriculture, to find out just what we can do or what more should be done in order to move these surpluses.

Mr. WHITTEN. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I had expected to yield this time to another member of the subcommittee, who has graciously agreed that I take this time in view of the statement of our very effective friend from Indiana. I hope he will pardon me on this because it is most surprising to find so many of my friends on the left who I know have always supported the saving of Federal funds being in the position you are taking with us today.

First, may I say there is no legislation in this bill. We are not trying to change the law. The law now is that there shall be a Commodity Credit Corporation. It was set up as a corporation so it could buy and sell, sue and be sued, act in a business way. That is the law. It has been the law.

The law provides that its directors can be from businessmen throughout the country. Their report to us is that this corporation, which has invested \$7 billions of the taxpayers' money, yours and mine, has at present only a program of getting rid of the commodities in every way under the sun except simply selling them for dollars at truly a competitive price.

My friend from Indiana says it is not as easy as you might think. We persuaded them to offer 8 or 9 commodities last year on a competitive-bid basis. They sold substantially all of them for \$453 million United States American dollars.

I was in Germany and met with the grain trade and was told by a big operator in the grain trade there that they would buy 2 million tons of American wheat if we would just match the French price, which was \$6 a ton less than ours; and they have the money. The CCC not withstanding its authority would not match French prices and we do not get the sale.

The record of the hearings shows foreign countries do have dollars. As long as we are spending \$3 billion in Europe for our military, as long as you have a military appropriation bill of around \$32 billion, they do have the money, dollars. They are spending those dollars in the United States. According to the Department's own figures, because we are holding farm commodities off world markets

at truly competitive prices, only about 18 percent of those dollars are being spent back with us for agricultural commodities, whereas prewar about 29 percent of those dollars were being spent for agricultural commodities.

Let me repeat. What we have done in this committee is not take over anybody's legislative responsibilities. We have pointed out these terrific losses, \$700,000 a day in storage costs alone mostly on commodities not even offered in world trade at competitive prices.

What do we ask? We ask the Commodity Credit Corporation, "Won't you please offer your commodities for sale for dollars and at least see if you cannot sell them? You are the judge of how much you offer, you are the judge of how often you offer. You can even say what bids you won't accept." That is what you did when you offered these commodities for sale last year and sold them for dollars. They said, "Bids below a certain level will not be accepted."

I am asking for a change of policy. I do not want to write a straight-out inelastic law to say, "You have to sell all." I introduced some bills so that at least somebody in the country would begin to find out that the Commodity Credit Corporation all the time has had authority to sell in world trade competitively. The officers of the Corporation just would not do it.

You can attribute politics to anything I say, but it is surprising to me to find that all of the officers of this Corporation are Department of Agriculture officials. At least, that is one circumstance which would indicate that the Corporation's business is being subjugated to the departmental policies. That is at least one indication that they are making the actions of this \$10 billion Corporation subservient to the views of the Department of Agriculture, including the Secretary. When you read this report and see that more than half of the losses this year are in storage costs, do you not think it is time that we sold some of it? I hate to mention any names, but there is nobody here that I have higher respect and regard for than the gentleman from New York and the gentleman from Indiana. They have fought hard to save money. They have talked about these huge CCC holdings and investment. They say it is jeopardizing us. It is jeopardizing us. It is cutting down on our farmers' production. If there is some reason for getting rid of millions of dollars worth of commodities under Public Law 480, where you sell it for foreign currency, 90 percent of it which is not even under the control of the Congress, if there is some basis for giving it away way off yonder somewhere, is it not kind of silly not even to offer such commodities in which we have our dollars invested, for sale first when the Department's own experience has shown that you can sell them for dollars.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. HORAN. The gentleman's plan, of course, would channel all commodities, especially cotton—

Mr. WHITTEN. No, no.

Mr. HORAN. Oh, yes; it would. As I say, it would channel all commodities, especially cotton, through the Commodity Credit Corporation, and if you are trying to save money by cutting down on the storage costs, you must remember that there are other commodities involved.

Mr. WHITTEN. The corporation now has \$7 billion of the taxpayers' money invested in commodities. I may say that if it wants to discharge its obligations as a corporation, it should sell those commodities for dollars if that can be done under a policy where they can follow the markets from day to day and watch what the effects are and watch the markets and feed it into the markets as the markets will absorb it. What we need is just a little change in policy; we need to remove the Secretary's umbrella over world prices, so that our big financial interests, which are increasing in foreign lands, will know that the United States Government is not going to sit here and hold that umbrella which our distinguished Secretary so well portrayed in his speech of only last Tuesday. It would do so much good if we only had a change of policy, regardless of how much of how little we sold.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. HALLECK. The gentleman has spoken of the umbrella. Of course, as a practical matter it is a very useful thing to have around.

Mr. WHITTEN. I was quoting the Secretary of Agriculture.

Mr. HALLECK. Yes; that is right. The umbrella—that is what he called it and that is what the gentleman calls it, so we will say that that is what it is, but that umbrella has operated to keep the market price on cotton in this country above the support price; has it not?

Mr. WHITTEN. You mean in the world?

Mr. HALLECK. No, I mean the price the domestic producer of cotton, the producer in this country has received for the cotton he sells, and I do not mean the Commodity Credit Corporation, has been above the support price.

Mr. WHITTEN. It has, by holding part of the supply unavailable to the world, we have cotton a little above the support price. But in the process, we have found out that in cutting down United States production, you do not curb world production, but you merely shift the production overseas. This is a changed situation. We have found out that what we do here does not necessarily control the world supply situation, it just transfers such production overseas. Your support level in the United States is one thing under the law. That same law provides for sales in world trade of whatever price it takes to move it. In one way or another we must permit the United States farmers to farm and then sell what they produce. Any corporation with \$7 billion investment should know that they cannot keep on buying without selling. I am surprised at you advocating giving away the commodities. How could you lose more?

Mr. DEANE. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. DEANE. Mr. Chairman, I feel that the House of Representatives and the American farmers should commend the gentleman from Mississippi. The majority of this committee brought out a report which they thought would be in the interest of the American farmers. I believe the gentleman now addressing us has worked very hard on this problem. Surpluses that have been moved within recent years, I feel are due primarily to the fact that the gentleman has been pointing out this problem in such a fine way. I commend him. Further, I would like to make this statement. I, too, am vitally interested in the textile worker, but, as I pointed out in my statement earlier today, the comparative buying power of key groups per week is estimated for 1955, as follows:

The farmer only has \$37.11 and the average factor worker has \$61.37. My point in mentioning it again today and at this moment is to emphasize unless we begin to think in terms of how to take that price squeeze out of the picture, I do not know what is going to happen to my textile workers.

Mr. WHITTEN. I thank my friend. May I make this statement, and then I will close.

Secretary Benson was before the committee, and he discussed how they had tried to swap this cotton off; how they had tried to give away this wheat and the other commodities; how they had tried to get rid of it this way, that way, and the other way.

Speaking as the Director of the Commodity Credit Corporation, I said, "Now, Mr. Secretary, would you please offer it for sale for dollars? Do you not know that the simplest way and the best way and certainly the first way, if you are going to protect our \$7 million, is to offer these commodities for sale and make your price competitive?"

We talk about saving money. A \$7 billion Corporation constantly increasing rates and paying storage charges and not offering such commodities competitively—and they testified they had \$3,792,000—certainly knows it is spending us blind. It is high time we changed the policy.

All this report does is to show there is authority in the law to sell, and the Corporation has the full responsibility of making the decision not to sell. The Secretary says he has made that decision on recommendation of the trade. I believe a majority of the trade knows we must sell. You are going to have to sell commodities for dollars if you are going to try to protect your investment. Giving them away means taking a hundred percent loss. Many folks are willing that CCC take the loss if we just will not lower the price umbrella over the United States interests abroad. If Mr. Benson, who has the authority to sell these commodities, will sell them, and quit paying out storage charges and giving them away, I think he will render great service.

The CHAIRMAN. The time of the gentleman from Mississippi has again expired.

[Mr. H. CARL ANDERSEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. MARSHALL. Mr. Chairman, I yield such time as he may desire to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Chairman, I am delighted to have the opportunity once more to support an appropriation for agricultural research and education. The Appropriations Committee is to be commended for including almost the full increase of about \$13 million in the Department of Agriculture budget for this purpose. Some of us would have preferred to see an even larger increase. However, the committee faced the difficult task of reconciling the many demands for additional funds with the money available to the Government and in view of these circumstances, I am willing to go along with the committee bill.

Each Member of this House has, I am sure, an appreciation of the value of research, not only to agriculture but to the entire economy. Nothing illustrates the value of research more than the development of frozen orange juice by scientists of the Florida Citrus Commission and the Department of Agriculture, and this is something my friends from cities will be interested in. The consumer benefited from a new product, the producers from a vastly expanded new market for their product, and the general economy from the development of a vast new industry which pays additional revenue each year into the Treasury.

The experience in the citrus industry has been duplicated in other segments of agriculture. Hybrid corn, for instance, has meant greatly expanded production, not only in the traditional Corn Belt but in other sections of the country, as well. The farmers of Georgia, certainly not regarded as corn farmers, nevertheless are sharing in the benefits of this research achievement.

The research work the Department of Agriculture has done has also made possible a much more efficient broiler industry. This is of particular importance to Georgia, where a sizable broiler industry has developed since the end of the war. Broilers can now be produced in 10 weeks on 10 pounds of feed, whereas it formerly took 12 weeks and 12 pounds of feed. This has meant better and less expensive broilers for the consumers and more efficient operation for the poultry raisers.

In almost every phase of agriculture we find that efficiency of production is being increased, costs reduced, and better products produced—all because of continued research activities by the States and Federal Governments.

Despite brilliant achievements we cannot afford to rest upon our laurels. Much remains to be done. Many problems facing the farmers today can only be solved by providing to agriculture a research program that will be more nearly on a par with that of industry.

In speaking of research I include, as a matter of course the educational activities carried on by the extension service and the land-grant colleges. It goes

without saying that we must have the means to get out to the farmer the information developed through research and instruction as to how it can be successfully applied.

I am happy to note that the appropriation for these educational activities have also been increased.

Mr. Chairman, even more encouraging to me than the increased appropriation carried in the bill we are considering today is a growing awareness of the value of research and education. Farm groups throughout the country are active in their support of this program.

The part which research can play in solving for the long-range many of the most vexing problems facing agriculture makes it imperative that the Congress keep this program operating at maximum efficiency and that it be expanded in an orderly, systematic manner. To do otherwise would be to break faith with our farmers. We would be denying to the farmers the assistance they need in maintaining a sound and stable agricultural economy.

In conclusion, Mr. Chairman, I wish to voice once more my support of a sound agricultural research and education program and to express to the appropriations committee my appreciation for the increase provided for these activities in fiscal 1956.

Mr. MARSHALL. Mr. Chairman, I yield myself the balance of the time on this side.

(Mr. MARSHALL asked and was given permission to revise and extend his remarks.)

Mr. MARSHALL. Mr. Chairman, the subcommittee on agricultural appropriations functioned in an uneasy atmosphere this year. This was caused by the cost-price squeeze on our farms, by concern over the continued decline in farm income, and by a sense of futility that those in charge of things would do as they intend to do anyhow, regardless of how the majority in Congress feels about it. I am sorry to say, Mr. Chairman, that there exists a strong feeling of distrust of the philosophy that is guiding the agricultural affairs of this administration, and a lack of confidence in many of the people who are running them.

As a consequence, the subcommittee this year was required to put in long hours, to dig deeply for the facts, and to sift the facts from the propaganda. The work has been tedious at times. But the load has been lightened, and the work made more pleasant by the good feeling which has existed among the members of the committee. While we have had our honest differences, there has never been a question in the minds of any of us that our colleagues are equally interested in working out constructive solutions to the many-sided and difficult farm problem.

The Members' attitude in approaching this issue has not been the provincial one of looking to the interests of the farmer alone, but that of taking the broad view which relates farm welfare to the consumer, and to the general good. The committee members are quite aware of the fact that agriculture is passing through a temporary period in which

abundance of some things represents surplus, but we know it is facing a future of greater demand upon the land and upon the farmer. One does not have to look too far down the corridor of time to see surpluses becoming shortages and this is a fact which we must keep ever in mind in our stewardship of resources.

It has been most pleasant to work with my colleagues on the other side of the aisle. My good friend and neighbor from Minnesota [Mr. H. CARL ANDERSEN], the distinguished gentleman from Washington WALTER HORAN; and the distinguished gentleman from Illinois [Mr. VURSELL]. The work of our distinguished chairman from Mississippi, JAMIE WHITTEN, is well known. Two new distinguished Members for the majority, the gentleman from Kentucky [Mr. NATCHER] and the gentleman from North Carolina [Mr. DEANE] have both made important contributions to the work of the committee. You will note, Mr. Chairman, that our committee is broad-based, giving representation to all parts of the country. I can say from the experience of working with the Members that they also have given representation to all types of views that were presented to the committee, and have arrived at their conclusions from the point of view of the whole people, and the needs of all.

Mr. Chairman, if the time permitted, it would be well to have an accounting of the last 2 years in agriculture, during the regime of President Eisenhower's Secretary of Agriculture, Mr. Ezra Taft Benson. Secretary Benson is beginning his third year of tenure; his third year of stewardship over affairs involving the bread and butter, the health and education, the success and happiness, or lack of it, of the 21 million persons on farms. The men and women on farms, Mr. Chairman, are well aware of this situation. They have taken an accounting, and many of them are looking to the next 2 years with concern, as they have looked back on the last 2 with regret. This committee regrets that so little has been gained by so much spent.

The record shows that the Congress has been generous with the Department of Agriculture. It has given Mr. Benson most of the things he requested. To name just a few, he was given power to reorganize the Department of Agriculture as no other Secretary has had. He was granted the request to name two additional Assistant Secretaries, giving him more assistance at the top. The Congress has been generous with funds for operation of the Department. Secretary Benson was given more in the last session of the 83d Congress than the Bureau of the Budget authorized. The Secretary is getting generous treatment in this bill.

The bill being brought to the floor today for the operations of the Department during the coming fiscal year has been gone over carefully by the committee. While it is being brought to the floor below the budget request, it gives to the Secretary of Agriculture everything that he has asked for and more. In short Mr. Chairman, it has been the policy of the committee, not only this year but

the year before, to give Secretary Benson authority, opportunity, and the power to act.

To put it mildly, I have been disappointed at the treatment given my farmer friends and neighbors during the last 2 years, and I view with some concern what appears to be in prospect for them during the next 2. Sometimes the little things, like the squirrels, are more meaningful than the bigger ones. It is remarkable, for example, how few times the farmer has been mentioned during testimony of officials of the Department of Agriculture. At the same time, a great deal of attention has been paid to the handler, the processor, and the middleman. Everybody knows that the processor and the handler perform necessary and proper functions. This merely reflects an attitude of mind that to me is significant. If the farmer and the consumer are not forgotten, they are to say the least, no longer sitting at the head table in the Department of Agriculture. I am wondering if the taxpayer is not sitting at second table, too, Mr. Chairman?

Running through the record of our hearings this year is evidence of improvidence, of neglect, of carelessness, of inefficiency, of waste, of little accomplishment, and in many cases of practices of a questionable character. This, I believe, is the product of a state of mind which too often, it seems to me, puts business, and business profits, ahead of everything else.

Mr. Chairman, this committee has been accused by the Secretary of Agriculture of playing politics. Let me ask you how many times you have heard the honorable Secretary speak of the need for reducing taxes, of the need for balancing the budget, of the need for practicing economy in the administration of governmental affairs. The purpose of reducing price supports was to achieve economy. The purpose of changing the administration of the county and community committee system of the agricultural stabilization program was to achieve economy. I could go on without number citing the occasions on which the high officials of the Department of Agriculture have cited the need for economy as the reason for doing this, or doing that.

Mr. Chairman, if we keep on getting the kind of economy from the Department of Agriculture that we have been getting in the last 2 years, the farm programs of this country will be wrecked, and the Treasury will be bankrupt.

Mr. Chairman, Henry Wallace was a cheapskate compared with our present Secretary of Agriculture when it comes to passing out the taxpayer's money. Let me give you a set of figures provided by the Department of Agriculture itself at my request and to be found on pages 1294 and 1295 of part 3 of our hearings. I am referring to a table showing the realized gains and losses of Commodity Credit Corporation from the very beginning in 1933 to the present date, and providing estimates for the entire fiscal year ending next June 30. Here are the facts:

Total losses of the Commodity Credit Corporation from its beginning in 1933 to June 30, 1953, were \$1,049,994,726. These losses are exclusive of the wartime consumer subsidies which had nothing to do with the cost of farm programs. Total losses of the Commodity Credit Corporation for the same items for the 2 years ending on June 30, 1955, are estimated by the Department of Agriculture as \$1,448,405,610. Actual losses last year were \$588 333,333.33.. Estimated losses for the present fiscal year are \$860 million. The total losses reported for these 2 years alone exceed by approximately \$400 million total losses for the 20 previous years.

In other words, Mr. Chairman, the losses of Commodity Credit Corporation in a mere 2 years have exceeded by approximately \$400 million all the losses of all the Secretaries of Agriculture in the preceding 20 years. I think it is fair to ask, Mr. Chairman, is such extravagance the result of incompetence and poor judgment, or is it deliberate and premeditated to make the previous programs look bad? A lot of people are wondering.

At no time within my memory have we spent so much and gained so little, Mr. Chairman. Spending on such a scale—nearly a billion and a half dollars in 2 years—could be justified if it helped the farmer and the consumer. Has it aided either the farmer or the consumer?

Since 1952, farm income has declined \$1.6 billion, or a little more than Secretary Benson spent on CCC operations. In the last year, farm income came down 10 percent for the year as a whole, but the decline from the last quarter of 1953 to the last quarter of 1954 is even greater—nearly 15 percent. Has farm income stopped going down? The March 25 report of the Agricultural Marketing Service of USDA says:

Farmers received approximately \$4.5 billion from marketing in the first 2 months of 1955—down 5 percent from a year ago. Prices averaged 5 percent lower.

No, the farmer is not doing so well.

Has the consumer been aided?

The House Agriculture Committee has just reported that housewives paid the highest prices on record for some foods last year, in spite of the lower prices to farmers. Here are some examples reported by the committee: Last year grocery store prices were 13 percent higher than during 1947-49, while farm prices were 7 percent lower. Cereal and bakery products were up 22 percent, while the price of food grains to the farmer was down 9 percent. The housewife paid 6 percent more for dairy products at retail, while the farmer got 8 percent less. It cost 12 percent more to put fruits and vegetables on the table, while the producers of these crops were receiving 4 percent less. No, the consumer is not making any profit out of the farm distress, either.

I am afraid the truth is, Mr. Chairman, that the Secretary and his business associates have been so anxious to turn back the clock, that the programs of the last 20 years that could be changed, have been changed. The programs that

could not be assaulted frontally have been subjected to sneak attack.

The excellent and respected soil-conservation service has been subjected to threat and harassment by task forces from within and without. The system of elective county and community committeemen to administer action programs locally has been shattered and shell-shocked. The REA cooperatives and the rural-electric power program that has meant so much to farmers is threatened with virtual bankruptcy by proposals of the Hoover Commission which would require higher interest rates and financing through private lending agencies. A director of the Federal Crop Insurance Corporation is associated with a group of private insurance stock companies planning to introduce all-risk crop insurance in some 40 low-risk area counties next year.

It is my feeling, Mr. Chairman, that the price-support program has been subverted in the name of economy that does not exist. The various aids for agriculture have been castigated at the bar of public opinion like a common street-walker. In the meanwhile, big oil, big power, and big business generally have slipped around to the backdoor of this administration to make off with the big giveaways.

For the Department to say that all this spending is due to previous farm programs is a little too much, Mr. Chairman. We know that these programs have not been perfect. We know that there are real problems in agriculture to be dealt with. We do not expect miracles from the Department of Agriculture, but we do expect good judgment and commonsense.

Our chairman, JAMIE WHITTEN, has very ably pointed out how the Department has failed to exercise its authority to move surplus commodities into the export markets. I would like to direct your attention to some of the domestic policies and practices.

For 2 years Department officials have known that something would have to be done eventually with the acres that had to be diverted from surplus crops. Yet very little actually has been accomplished. It is obvious that the proper thing to do with such acres is to divert them to the extent possible to grass and legume crops and other conservation uses. Yet, the Department has gone sharpshooting for the soil-conservation service program, and it has hacked up the agricultural-conservation program to the point where it is not serving the useful purpose it could serve.

The State agricultural colleges, for example, have been recommending annual use of agricultural limestone in this country of a little over 80 million tons as the amount needed year by year for good conservation use. Never have we even approached this tonnage in a year. Peak use of limestone was in 1947, when approximately 30 million tons—or nearly two-fifths of annual need—were put out on farms, due largely to the agricultural conservation program. In 1953 the use of limestone on farms had dropped to 20.6 million tons, or only about a fourth of annual need. Some officials estimate

that for 1954 the use of lime will come down to between 17½ and 18 million tons, or only a little more than one-fifth of annual needs. The significant point is not only that our annual use of lime is growing more and more deficient each year, but that both commercial sales and sales made through aid of the agricultural conservation program have come down steadily and are still declining.

It would make a great deal more sense, Mr. Chairman, to store fertility in the soil than to produce commodities for storage in Commodity Credit Corporation bins and warehouses during this period when surpluses are a temporary problem. I would be remiss if I did not call the attention of Congress to the fact that my colleague the gentleman from Minnesota [Mr. H. CARL ANDERSEN] and I have offered legislation to correct this situation, but the Department has shown little interest in the question.

Let me direct your attention to a few of the items that are brought out in our hearings on the Department budget this year. You have heard officials say much about the need for moving surpluses out of warehouses and into stomachs. Yet we find the Department making poor use of the facilities it has at hand to do just that. You well remember how egg prices last fall declined to lows comparable with those during the depression years of the thirties. You well remember how many of the States requested the use of poultry and egg products in the school-lunch program. Some of you may recall that in the spring of last year some officials of the Department were saying it might be necessary to support the price of eggs. However, by fall the Department had changed its mind, and the promises of spring fell as dry leaves in the autumn.

Mr. Chairman, you have heard much said by officials of the Department about the high cost of storage for these so-called surplus grains. It is true that the cost of storage has gone up. In fact, the cost of Commodity Credit Corporation of storing a bushel of grain has almost doubled. These are CCC's own figures, supplied on page 1302 of part 3 of our hearings. In 1951 CCC had in round figures an average inventory of 296 million bushels. During that year it received 107 million bushels of grain and loaded out 19½ million bushels. The cost of storage on a bushel of grain in that year was put at 6.6 cents a bushel. Last year CCC had in inventory 321 million bushels of grain. It received 196 million bushels and loaded out 55 million bushels. But the average cost of storing a bushel of grain had gone up from 6.6 cents a bushel to 11.3 cents a bushel—almost double.

Now some of the officials in the Department say that the reason for this nearly doubling in storage cost is due to the increased volume. But the higher cost cannot be explained this easily, Mr. Chairman. There is not enough difference in the volume handled during the 2 years I have mentioned to account for a near doubling on the cost of storing a bushel of grain. The real reason for the higher cost, I am advised, is not the increase in volume, but the fact that the method of handling the grain

has been changed. In 1951, practically all the grain in CCC bins was handled by and under the supervision of the county committeemen in the locality where it was stored. Since then, the order has gone out from the Department of Agriculture to have the stored grain handled commercially, and this is the real reason for the increased cost.

At another point in our hearings the Department submitted figures—page 1306 of part 3—showing that the county committee expenses have increased from \$35,987,443 in 1952, to \$68,963,364 in 1954. This is almost double the expense of 2 years ago. It covers all programs exclusive of CCC grain storage structures. Department officials say the reason for this huge increase in county expenses is due to the larger number of acreage allotment and marketing quota programs. It does not appear to me, Mr. Chairman, that the Secretary is getting the economy he claimed for the new system which makes the county committee advisory rather than administrative. Higher costs could be condoned if this brought about improved administration. But this is not the case. In many instances, the change has brought about only frustration and confusion in the minds of county and community committeemen. It has led to less administrative responsibility, and has resulted in a lack of respect for the farm programs being administered locally.

The change has shown that the problem of finding office managers qualified to meet the complex day-to-day problems faced in a county ASC office has been extremely difficult and too often unsuccessful. In many cases that have come to my attention, the information and instructions going out to the counties from Washington have been confusing and contradictory, resulting in inefficiencies in the local offices.

Mr. Chairman, I would like to remind the Members of Congress that when the Secretary of Agriculture appeared before our committee on Wednesday, February 25, 1953, he said that—

No problem that we have inherited has been more difficult than the decision on the support price for butter. We have consulted long and earnestly with the trade, with the congressional advisers, and with farmers.

Since that time, of course, the price support for dairy products has been lowered, and the Secretary now feels that the dairy situation is on the way to improvement. Well, those of us in the dairy country hope he is right. The Secretary's program for dairy farmers has been an extremely costly one for the dairy farmer. In the first year of operation of Secretary Benson's program, cash receipts from the sale of dairy products have declined by \$254 million. From January 1, 1954, to January 1, 1955, the inventory value of cows and heifers kept for milk on our dairy farms has gone down by another \$353 million.

This is a pretty stiff rap for the dairy farmers to have to take, Mr. Chairman. But it appears that some of the feed manufacturers in the country made a pretty good thing out of the sale of dry skim milk stocks by the Commodity Credit Corporation. Last year CCC sold

close to 575 million pounds of dried milk as feed. The price, of course, had to be much lower than the usual price as feed. In fact, it got the whey people into trouble, and the Department had to get up a whey price support program to protect whey manufacturers who also were selling their product for feed. It is interesting to note, Mr. Chairman, that one feed company alone purchased a little more than 80 million pounds, or nearly one-seventh of the total, of this excellent feed, at bargain rates.

Mr. Chairman, the Department of Agriculture has been studying the farm situation ever since Secretary Benson came into office, and so far as I know it is still studying the situation. I hope the Department eventually will come up with some sound and constructive answers and solutions. In the meantime, your subcommittee on agricultural appropriations has made some recommendations which it hopes the Department will take to heart.

One is that the Department will provide a sales manager for Commodity Credit Corporation. It is the feeling of the members that a man of good judgment and common sense in such a position cannot only help to put some of our more burdensome surpluses to good use, but also can help to keep down unnecessary costs.

Another recommendation is that the Department not merely quit sniping at conservation activities, but also develop a constructive program for diversion of surplus acres to other useful purposes. A special fund of \$200,000 has been earmarked for research on the effect of acreage reductions on the local and national economy.

The committee has noted with some concern the fact that the farmer's share of the consumer's food dollar has fallen to only 43 cents—a decline of 11 cents since 1945. The committee recommends that a special study be started immediately to develop information on a few of the major food crops in different parts of the country with the hope of being able to reduce the spread between the farm price and what the consumer has to pay. A special fund of \$1 million has been earmarked for this purpose.

The committee also recommends that greater and more effective use be made of the school lunch and section 32 purchase programs to aid in stabilizing prices of products temporarily flooding markets, and to help in improving the diets of our school children. These programs have not been used to the extent they could be, or to the extent for which the Congress intended them to be used.

The tendency of this administration has been to knock out working programs before adequate replacements were provided. In too many cases we have seen the Department knock down the scaffold before it finished the building.

It is believed that the adoption by the Department of the committee's recommendations will not only help in the handling of surpluses and the reduction in costs, but also will be of positive assistance to farmers and consumers alike.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I will be very glad to yield to the charming, distinguished gentlewoman from Illinois [Mrs. CHURCH].

Mrs. CHURCH. I thank the gentleman. The lady has been sitting here since early today to get an answer to a question in reference to this bill. I understand from the one gentleman who very kindly explained the bill that there are \$375,000 allotted for fruit, poultry, and egg seasoning and grading program. This may seem like an anticlimax to the arguments that have been had today, but I would like to know what proportion of that amount goes for the inspection and grading of eggs and poultry.

Mr. H. CARL ANDERSEN. We restored \$320,000, of which \$220,000 is for fresh fruits and vegetables and \$100,000 to take care of chickens and poultry.

Mrs. CHURCH. The same as last year?

Mr. H. CARL ANDERSEN. That is right. I regret that I did not yield to the gentlewoman earlier.

Mrs. CHURCH. I thank the gentleman.

Mr. HAGEN. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield to the gentleman from California.

Mr. HAGEN. I would like to ask the gentleman's indulgence to ask a very brief question. On page 18 of the report, in relation to the Marketing and Research Service, the statement is made:

The funds include an increase of \$200,000 for market news services. The committee has allowed the full budget increase of \$125,000 to initiate this work in seven new locations.

Were those locations recommended by the Department in their budget?

Mr. MARSHALL. That is correct. In addition to that, we recommended that \$75,000 be expended to set up services in those areas where people had appeared before the committee in making a request. We did not earmark those and we did not say specifically to the Department: "You must" because there is such a thing as a contribution of funds on the part of the local people. We have asked them to review this.

Mr. HAGEN. Does that \$75,000 cover all of the requests of those appearing before your committee?

Mr. MARSHALL. They cover all of the requests of people who appeared before our committee. They do not cover all of the requests that have been made to the Department.

Mr. HAGEN. But all the requests that were made of your committee by witnesses?

Mr. MARSHALL. That is correct.

Mr. HAGEN. Now, one more question with reference to the school-lunch program. This \$15,236,000 plus which you added, that is in this fund which the Federal Government uses to make purchases for distribution of supplementary commodities to the various schools?

Mr. MARSHALL. That is the fund known as section 6 funds, the school-lunch program, and it restores that to the same level that it was last year. In addition to that, the Department of Agriculture has section 32 funds that

they may use for the purchase of commodities. The committee very strongly feels that the Department should make more use than they have in the past of section 32 funds to purchase commodities to distribute to the schools.

Mr. HAGEN. Do I understand correctly that none of the section 6 funds, the \$15 million plus, were used directly by the Federal Government for purchase on its own account?

Mr. MARSHALL. The Federal Government uses these funds to purchase commodities to provide a balanced diet to the school children where local demand and local contributions are made.

Mr. HAGEN. I thank the gentleman. Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield to the gentleman from Virginia.

Mr. JENNINGS. I want to first compliment this subcommittee on the very fine piece of work that has been accomplished on this bill, especially as it pertains to the soil conservation program. I think that is one of the essentials. It is one of the things that I have received more correspondence on from my people concerned, and I am glad to see that you restored that amount to the appropriation. I am also glad to see that you kept this soil conservation part separate, because I think it can stand on its own bottom. It has done a fine job.

Mr. MARSHALL. This committee is very much interested in it. It not only restored the fund but provided a modest increase.

Mr. JENNINGS. To provide for the personnel to carry it out.

Some of the questions I wanted to ask were covered by my colleague, the gentleman from California [Mr. HAGEN], especially as they pertain to the school-lunch program. I want to commend the committee for that as well as the other provisions in this bill.

Mr. MARSHALL. I thank the gentleman from Virginia.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. Not that I am too well informed on this cotton situation, however the proposal of my very good and able friend the gentleman from Mississippi [Mr. WHITTEN] is not quite clear to me. As I understand it, he proposes that a certain cotton tonnage will be offered to foreign buyers, less than the American market, and that a smaller amount would be offered to the textile operators on the same price basis as that offered to the foreign buyers. Is that right?

Mr. MARSHALL. I would say this to the gentleman, We have insisted in our committee that we do dispose of Commodity Credit Corporation stocks at a competitive price in the world market in the manner already set out in the CCC charter. In addition to that, the distinguished chairman of our committee informed the House this afternoon that he has been interested in legislation which is not now on the statute books that would provide that some consideration could be given to the textile manu-

facturers. That is something that I am not familiar with. It is something that would require additional legislation, and I do not feel that I would be able to discuss the virtues of that. That would be something that would need to come up to the House from the legislative Committee on Agriculture. It is beyond the authority of the Committee on Appropriations.

Mr. GAVIN. Would the gentleman express an opinion that if we sold this cotton to the foreign buyers at a price below the American market, with the low-paid labor in all these various countries and the possibility of the reciprocal trade treaties being adjusted, that that might let the bars down and that we might put the textile producers of the United States out of business completely?

Mr. MARSHALL. I would like to say, however, to the distinguished gentleman from Pennsylvania—and I think he entirely agrees with me—that it is a poor policy that establishes an umbrella over world markets, that provides for markets in the world taking over markets which formerly belonged to the American producers. I think he agrees with me to that extent.

Mr. GAVIN. I just want to say that I commend my very good and able friend. My feelings toward him are mutual.

Mr. MARSHALL. I thank the gentleman. I should like to say this to the committee, that we have had some discussion this afternoon concerning the report and some implication was made that this report was written by the distinguished chairman of our subcommittee. I should like to say to the members of this committee that I was given ample opportunity to read the report. It happened on some occasions when I made a visit to the committee room I saw Members of the minority reading the report. I feel there was ample opportunity given for members of this committee to read the report.

I should like to say also that I have served on other subcommittees in this House, but I have never served on any subcommittee where more latitude was given for the witnesses appearing before the committee than was given to the witnesses appearing before this subcommittee. They were given the opportunity of correcting their remarks. This committee wanted facts. We are not interested in just a lot of theory, and so on. We wanted to give the Department of Agriculture every opportunity to supply the facts for the record. Our distinguished chairman was very fair toward all the members of this committee. I have served on committees where I thought the chairmen were extremely fair, but I have never served on any committee where the chairman was more fair than our distinguished colleague from Mississippi [Mr. WHITTEN].

The pleasure of serving on this committee is one that can hardly be expressed in words. All the members of the committee were diligent in performing their duties. They attended the sessions which were long and tedious. We were all interested in the welfare of the American farmer.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield to my colleague from Minnesota who is the senior member of our State delegation and one for whom I have a high regard.

Mr. AUGUST H. ANDRESEN. I have very high regard for the gentleman. I know the gentleman wants to be fair. He said that Secretary of Agriculture Wallace, when he served, was a cheap-skate as compared to the present Secretary of Agriculture, Mr. Benson. I know the gentleman has taken the figures for 20 years to show the losses in the Commodity Credit Corporation. I know that while he does not mention it, he will admit that the Commodity Credit Corporation was reimbursed for between \$5 billion and \$10 billion in Commodity Credit surpluses which were shipped over and given away to other countries. We got rid of those surpluses, but the American taxpayer paid for them during the war period and during the operation of the Marshall plan. Now that is not figured as a loss, but the taxpayers paid the bill. Would not the gentleman concede that that ought to be included as part of his remarks to be strictly fair about it?

Mr. MARSHALL. I am glad the gentleman from Minnesota reminded me of that because, as he knows, it is my intention to be fair. I do want to say that the commodities which were distributed under these other programs were not charged to the losses of the Commodity Credit Corporation. These are figures we received from the Department of Agriculture. However, I do also wish to state that the same type of program is now continuing so I do not think any reference you have to those losses and gains, as compared with those of the last 2 years, really has much relevance.

Mr. AUGUST H. ANDRESEN. During the 20 years to which the gentleman has referred, of course, we had two wars. It is often said that food will win a war. I do not believe that is said about peace, but it ought to win a peace, so that I think we have to take all of these things into consideration as to how we got rid of the surpluses; otherwise the Commodity Credit Corporation would have been broke long ago.

Mr. MARSHALL. I am glad the gentleman raised that point because there has been a certain amount of talk going around the country that at no other time has there been a surplus. There have been surpluses many times. I am sure the gentleman agrees with me that we have a far happier country because we do have some surplus than would be the case if we had some shortages. I would like also to call the attention of the gentleman to another thing which I was going to discuss, but I do not think time will permit. While we are talking in terms of losses of the Commodity Credit Corporation, that does not take into account the losses that have been taken by the farmers, particularly the dairy farmers and their loss of income, together with the loss in inventory of their dairy herds, which runs up, as the gentleman knows, to quite a high figure.

Mr. AUGUST H. ANDRESEN. I agree with the gentleman on that, but I want to bring up this other point because we have had these two wars to help get rid of these surpluses. Then we had the Marshall plan where we gave away \$6 billion or \$7 billion of cotton, wheat, tobacco, and a good many other farm commodities. I know the gentleman agrees with me that we should consider our surplus as a blessing rather than a curse. I have been dealing with the problems of surplus farm commodities ever since I came to the Congress, which is some years ago, when we had the old McNary-Haugen bill, and when we were advocating the two-price system, which I understand, from talk around here today, that there are people who want to put that into operation. I think that is still a good system.

Mr. MARSHALL. Whether that will be put into operation or not, as the gentleman knows, would be a matter for the legislative committee and not a matter within the jurisdiction of the Committee on Appropriations.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield.

Mr. WHITTEN. The law setting up the Commodity Credit Corporation provides that at the present time. It is the failure to use that authority of the Corporation which keeps you from using it.

The CHAIRMAN. The time of the gentleman has expired.

All time has expired.

The Clerk will read.

The Clerk read the bill, as follows:

Be it enacted, etc., That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1956, namely:

Mr. WHITTEN (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered as read and be open to points of order and amendments.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The CHAIRMAN. Are there any points of order to be raised?

Mr. PHILLIPS. Mr. Chairman, I move to strike out the last word.

Presuming that we have reached line 14 on page 3, or line 15 on page 4, I would like to ask the gentleman from Mississippi [Mr. WHITTEN] or the gentleman from Minnesota [Mr. H. CARL ANDERSEN] if they would be kind enough to refer to page 11 of the report and then, on behalf of the California delegation, for which I speak today—those who come from rural areas—to answer this question about the research money. I know that just as soon as this report is on the wires there will be inquiries made regarding the alleged cut in the research money. As I read this, my interpretation is that there has been no cut in the research appropriation as compared to appropriations for previous years. There has been a slight reduction in the increase asked for next year.

Mr. WHITTEN. That is correct. We tried to point out what we thought were relatively minor types of work they were doing, and for that reason we did not go along with the full amount of the increase.

Mr. PHILLIPS. May I ask the gentleman if he has any estimate of what money is left over from the preceding year, or will any be carried over into the 1956 appropriation?

Mr. WHITTEN. It is my understanding that these funds do not carry over. However, I would like to point out that we granted an increase of \$1,700,000 in the research money. Last year was considerably higher than the year before.

Mr. PHILLIPS. However, the next line says, which will cause confusion:

A reduction of \$684,000.

Mr. WHITTEN. That is below the budget, but it still leaves this increase of approximately a million dollars.

Mr. PHILLIPS. The gentleman understands I am getting some statements on the record for the purpose of answering questions.

The next question is, we have had allowances, for example, for the Mediterranean fruitfly which once threatened Florida, and for the Mexican fruitfly which has infested areas along the Mexican and California border, and we were threatened a couple of years ago with the oriental fruitfly. Does the gentleman feel there is money enough in this item to carry on the necessary research which has shown such excellent results in controlling these pests?

Mr. WHITTEN. I certainly do; in fact, in view of the increase we have made there are means whereby the research could be strengthened.

Mr. PHILLIPS. And in the northern part of the State there has been some excellent research done in the matter of insecticides and their effect when sprayed upon fruit and perishable commodities. Can the gentleman give us assurance that it is contemplated that that type of research shall be carried on and that money has been provided for it?

Mr. WHITTEN. Certainly that is true, and it applies to other sections of the country where these outbreaks are much cheaper to handle at the outset rather than waiting for them to spread over wide areas.

Mr. PHILLIPS. I thank the gentleman and yield back the balance of my time, if any.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to ask the chairman of the committee if ample provision has been made for research work on the bean. I understand they are now able to make fibers from the bean, fibers that can be used in the manufacture of textiles. That inquiry came to me only today.

Mr. WHITTEN. We did not have a specific item of that sort submitted to us. We have tried to avoid pinpointing the use of every dollar in the bill. But I am sure the gentlewoman can see that

with \$37 million in this item and authority in the department to make a shift of funds, and in the bureau itself to make a shift of as much as 7 percent there are ample funds with which to undertake any of these worthwhile research programs without specific direction from the committee.

Mrs. ROGERS of Massachusetts. I hope so, but I am sure the gentleman remembers the frustration that was experienced in many of these control programs in the past.

Mr. WHITTEN. We believe this is the better way to handle this matter of research; otherwise, we would have to specify some \$40,000 or \$50,000 for each individual item, and that we are hardly prepared to do.

Mrs. ROGERS of Massachusetts. I thank the gentleman and congratulate the committee.

The CHAIRMAN. Are there any amendments?

Mr. WHITTEN. Mr. Chairman, I have one corrective amendment. I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTEN: Page 14, line 12, change the figure "1955" to "1956."

Mr. WHITTEN. That is to correct a clerical error.

The amendment was agreed to.

Mr. WHITTEN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FORAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5239) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1956, and for other purposes, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. WHITTEN. Mr. Speaker, I move the previous question on the bill and the amendment to final passage.

The previous question was ordered.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

AMENDMENT TO CREDIT UNION ACT

Mr. PATMAN. Mr. Speaker, I have introduced today a bill to amend the Federal Credit Union Act. It is as follows:

A bill to amend the Federal Credit Union Act

Be it enacted, etc., That paragraph (7) of section 7 of the Federal Credit Union Act (12 U. S. C., sec. 1757 (7)) is hereby amended by striking out the word "or" after "(d)" and inserting before the period at the end of the paragraph the following: "; and (e) in shares of other credit unions in the total amount not exceeding 10 percent of its paid-in and unimpaired capital and surplus."

OBJECTIVES OF PROPOSED LEGISLATION

The objective of this bill is to make an amendment to the Federal Credit Union Act, as amended, as hereinafter described.

Paragraph (7) of section 7 of the Federal Credit Union Act—Twelfth United States Code, section 1757 (7)—now reads as follows:

To invest its funds (a) in loans exclusively to members; (b) in obligations of the United States or America, or securities fully guaranteed as to principal and interest thereby; (c) in accordance with rules and regulations prescribed by the Director, in loans to other credit unions in the total amount not exceeding 25 percent of its paid-in and unimpaired capital and surplus; (d) or in shares or accounts of Federal savings and loan associations, and in shares or accounts of any other institution, the accounts of which are insured by the Federal Savings and Loan Insurance Corporation.

It is proposed to amend paragraph (7) of section 7 to read as follows:

To invest its funds (a) in loans exclusively to members; (b) in obligations of the United States or America, or securities fully guaranteed as to principal and interest thereby; (c) in accordance with rules and regulations prescribed by the Director, in loans to other credit unions in the total amount not exceeding 25 percent of its paid-in and unimpaired capital and surplus; (d) in shares or accounts of Federal savings and loan associations, and in shares or accounts of any other institution, the accounts of which are insured by the Federal Savings and Loan Insurance Corporation; and (e) in shares of other credit unions in the total amount not exceeding 10 percent of its paid-in and unimpaired capital and surplus.

The change in this section as indicated would permit credit unions chartered under the act to invest to a limited extent in the shares of other credit unions. It is felt that this will properly enlarge the investment area of Federal credit unions and enable them to extend their service by further employing their funds in the credit-union field. The power to make such investment will be in the hands of the directors of the Federal credit unions who may make use of it, in addition to and in consideration of the other privileges provided in the act, as they see fit.

Credit unions are doing a wonderful work. They should be encouraged. The amendment proposed is a reasonable one. It is my hope that it will be adopted by Congress at an early date and signed by the President.

Appendix

Department of Agriculture and Farm Credit Administration Appropriation Bill, 1956

SPEECH OF

HON. H. CARL ANDERSEN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 28, 1955

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H. R. 5239) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1956, and for other purposes.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield myself the balance of the time.

The CHAIRMAN. The gentleman is recognized for 14 minutes.

Mr. H. CARL ANDERSEN. Mr. Chairmen, I regret that the debate on this most important of all bills relative to the farmers of America, has been forced somewhat along political lines today.

It has always been my observation in the 11 years in which I have helped to handle this bill, that here was one measure and one subcommittee that has been devoid of politics throughout the years. I hope that it will continue so.

Mr. Chairman, our Subcommittee on Appropriations for Agriculture, after 2 months of careful study, has reported this bill unanimously. It contains what we consider to be adequate funds for the programs of our Nation's basic industry, agriculture, for the coming year. While our subcommittee of seven members appreciates the grave need for economy, we also recognize that agricultural prosperity is the foundation of a prosperous national economy. We feel that we have worked out an equitable bill, fair to the farmer, fair to the consumer and more particularly a measure designed to promote the welfare of our great Nation. In reply to the criticisms made here on the floor relative to the report on our bill let me just say, Mr. Chairman, that it has been my experience during the 11 years in which I have helped handle the annual agriculture appropriation bill, that the report is the responsibility and is prepared largely by the chairman of the subcommittee. Certainly the other members, including the minority members, had the privilege of looking over the rough drafts but in the main this report is the work of our chairman, the gentleman from Mississippi [Mr. WHITTEN]. I want to make it clear also, Mr. Chairman, that while I agree with the major portion of this report, I would, if I had the privilege, strike out certain

statements. However, I feel that in the main we have given you a comprehensive and informative report and a good bill.

PARITY FOR AGRICULTURE

The Seventh Congressional District of Minnesota, which I have had the honor to represent for nearly 17 years, is one of the few strictly agricultural congressional districts in America. Certainly the business people in the 155 villages and towns in my district and in the other than rural districts cannot prosper unless the farmers who buy goods, manufactured products and services from them receive a fair return for the food and fiber they contribute to the Nation's economy. It is just as simple as that. If the farmer does not prosper, the income of the people in the city districts cannot materialize. We are interdependent and no one segment of our economy can go it alone. Do you realize that the farmer representing 15 percent of our Nation's population produces food and fiber for the other 85 percent? In reporting the bill which provides for the reenactment of our 90 percent price support program, the House Committee on Agriculture brought out the fact that the parity ratio tumbled from 113 in February 1951 to 94 in January 1953. Since January 1953 the parity ratio has declined from 94 to a current level of 86, a change of 8 points while the average of retail food costs has remained unchanged, close to the postwar peak. The committee's study showed that since 1947-49 prices received by farmers for dairy products have declined 8 percent while retail prices on dairy products rose 6 percent. The farm price of food grains dropped 9 percent while bakery products at retail climbed 22 percent and fruit and vegetable producers received 4 percent less while consumers paid 12 percent more. The report disclosed that an important reason for the upward trend in marketing costs over a period of years is the increased packaging costs between the farm gate and the consumer's door. Increased labor costs also accounted for a part of the farm-to-table spread. Wage rates for workers in marketing farm food products increased from \$1.23 an hour in 1947-49 to about \$1.70 in 1954. Industrial workers can now buy more food with the earnings from 1 hour of labor than in any period of history. Out of each dollar spent by the housewife for domestically produced food, 57 cents now goes for processing, marketing and transportation charges while the farmer receives only 43 cents out of that dollar.

I have brought these facts to your particular attention since I want once and for all to disabuse your minds of the propaganda that has been circulated far and wide that 90 percent price supports are too generous. It is simply not the

fact, and these statistics prove it. Since adopting the flexible price support law, our price ratio has slipped from 90 to 86. The farmer does not want an unreasonable price for what he produces, but since his expenses for operation have remained high and his net profits have declined by nearly 30 percent since 1947, he is forced to demand a reasonable price support floor in return for the production of ample food for the Nation. He has no other recourse. Ninety percent price support under our basic storables is reasonable. We all know that when things are scarce prices are high and that high production should mean lower living costs. However, the equation has not worked out as simply as that. Is it fair to ask the farmer to produce the food and fiber the rest of the Nation must have without protection against a ruinous slump because the good Lord blesses us with bountiful production? The manufacturer of munitions of war is protected. Union labor is protected. Business is protected in many ways. Should the farmer be left to rely on the law of supply and demand? All we are asking is a square deal. We are certainly willing to give the same consideration to all other segments of our economy. Furthermore, agriculture must receive parity prices for its production to encourage this basic industry to produce the food our 160 million people require. Every year there are 2,650,000 more people in our Nation who must depend on agriculture for their food. Shall we say to the farmer, "You produce more food than the rest of the Nation needs and we will pay you off by ruining your price level"? Is that a square deal? Shall the farmer be required to answer to the city consumer for the high marketing and distribution costs? I say to you Members from the city districts, let us give the farmer the break he deserves. Let us not close our eyes to the actual situation as far as the farmer's return for his hard work and long hours are concerned. You will not find any farmer putting in an 8-hour day or a 5-day week. There is no minimum wage, guaranteed annual wage, or unemployment insurance in the farmer's book.

If labor and industry are entitled to a square deal, how about the farmer? It is high time that we got the farmer's situation into the proper perspective. Let me give you an example of how I feel the farmer and everybody in our Nation could have been helped. Last fall the egg producers of the Middle West should have received at least 35 cents a dozen for good medium eggs, but because of a comparatively small 5-percent overproduction the egg market collapsed and the average run of eggs through my area brought the farmer scarcely one-third of what he should have received.

A little commonsense price support operation at that time would have strengthened the market and would have given assurance of at least a partial fair return to the producer and prevented much of the financial loss suffered by the poultry industry amounting to nearly \$300 million over a few months' time. The Department's refusal to grant my request that they buy up the 5-percent excess production makes them responsible, in my opinion, for this tremendous loss in gross income for the country's egg producers. An expenditure of \$25 million, or a little more, to buy up this temporary 5-percent overproduction would have prevented the larger loss. The excess shell-egg production could have been donated to the school-lunch program and the income-tax branch of the United States Treasury would have been ahead through the returns in taxes received from the producers. The people who advocate controlling production by lowering or doing away with price supports on agricultural commodities forget the basic fact that the Nation as a whole can easily lose 10 times the cost of price supports by failing to support the market adequately. The egg market situation last fall is a clear indication of what happens when no support, or little support, in the line of a minimum price floor is guaranteed to the producer.

Time and time again I have heard it said that the 90-percent price supports under our basics have resulted in the accumulation of the commodities we now have on hand. Never once have I heard it said that prosperity for agriculture would justify many times the \$2-billion loss incurred to date over a 20-year period. Nobody can estimate how many billions came to the Treasury in income taxes during that period because of a prosperous agriculture.

Agricultural prices are on the way down today. One hundred percent of parity should be given to the farmers of America. A net income of approximately \$15 billion, or an average of \$3,000 per farmer on the 5 million farms now being operated, would result. For every 1 percent which the general parity index declines below 100 percent, the farmers lose at least \$150 million in net income. The Nation as a whole loses seven times that amount, or \$1 billion in purchasing power for every 1-percent drop in the farmer's net income. Can we afford low farm prices? I contend that a depression will result if we permit this situation to continue. Today we are at the 86-percent level. It is estimated that the net income for 1955 will be \$12 billion or less. The curve of loss to the farmer in net income becomes sharper as the parity price index becomes lower. In this year 1955, when most other lines of industry are receiving the highest rate of income ever received, and when prices in Wall Street are so high that they are the concern of the Congress, the farmer will receive \$3 billion less in net income, not gross income but net income, than he should receive. I repeat: this \$3 billion net loss means a decrease of seven times that amount, or at least \$20 billion less in purchasing power throughout the economic bloodstream of our Nation. Mr. Chairman,

we have been pennywise and pound foolish in begrudging agriculture the 90 percent of parity price supports to which it is entitled not only for its own good but for the good of the entire Nation. In the single instance I have pointed out to you, we penalized the farmer because he produced 5 percent too many eggs for the 160 million human beings in this Nation of ours. Suppose the farmers formed a union and arbitrarily cut the production of eggs and poultry by 15 percent. The consumers of the Nation would then be fortunate if they could purchase a dozen eggs for less than \$1. Is it not better to recognize that the farmer is entitled to a fair price for the food he produces and thus protect the consumer from exorbitant prices because of scarcity? That fair price should be 100 percent of parity, which in itself is an ever-changing factor, as cost of production changes.

I wish some of those who worry about our surplus foods and the fact that we have some \$7 billion invested in farm commodities at this time would visit some of the Near East nations as my subcommittee did and see the results of insufficient food supplies. If you saw the 450,000 Arabian refugees along the border of Israel, as we did, and the little children who have lived in these camps for the 7 or 8 years of their lives with only half enough food, or if you had gone into Pakistan with us and had seen the millions of half-starved refugees that were thrown out of India, you would realize, as we did, what a blessed country America is and how vital it is to the rest of the world that we continue our high rate of food production. These other nations have a real problem. We should share our surplus with them. Those who consider surplus food a curse should take time out to count their blessings. If this great Nation of ours ever comes to the point where it cannot produce sufficient food for our people, then we will be in real trouble.

Our subcommittee could not, of course, go along with the Department's sharp curtailment of the so-called action programs. The Department came to us with a budget providing for reductions in the action programs, including plant and animal disease and pest control, Soil Conservation Service operations, flood prevention, inspection of fresh fruits, vegetables, poultry and eggs, and the school-lunch program. Our subcommittee restored the proposed reductions in these important programs which relate directly to our three greatest assets, children, soil, and water, since we believe firmly that expansion rather than reduction can be readily justified.

Our subcommittee restored the proposed reduction in funds for the Soil Conservation Service and provided an increase for technical service to staff the 58 new soil-conservation districts to be established during the coming year. We felt it was more intelligent to attempt to prevent the results of the drought and dust storms and other hazards which face the farmer than to let them occur and then endeavor to meet them. Work on the Andersen-Hope watershed-protection program has not proceeded according to schedule. Our

subcommittee also concluded that the work on the 11 old authorized watersheds should certainly not require 25 years for completion. We would like to see an earlier date set, and it is very apparent that the expansion of this type of conservation work to other areas of the country is not proceeding rapidly enough to meet the real need and demand. We, therefore, provided sufficient funds to restore the reduction in flood-prevention funds and increased the allocation for the work on this and the watershed-protection program.

The reductions proposed in the insect and animal disease control programs and the inspection and grading of fresh fruits, vegetables, poultry, and eggs were restored.

The subcommittee provided a total of \$37 million, or an increase of \$1,178,000 over appropriations for 1955, for the Department's research programs and insists that the work be done on worthwhile projects. Of this amount, \$200,000 has been earmarked for special research on the effect of acreage reductions on the local and national economy. If, temporarily, we are producing too much food in this great Nation of ours, why not take the most practical course and remove 35 million acres of farmland from cultivation? Why produce wheat, corn, and cotton and other crops in surplus? Why not attack the problem at its roots and keep sufficient land out of production to prevent these surpluses? Early in January I introduced H. R. 2370, which so provides and was glad to note recently that Mr. Schumann, president of the Farm Bureau, agrees largely with my proposal. The Izaak Walton League has gone further and announced that they advocate taking 60 million acres of marginal land out of production. Let us, as I proposed several years ago, take 35 million acres of farmland out of production and turn it into a soil fertility bank. Let us retire this much land from production and pay lease rentals averaging about \$12 per acre to farmers who cooperate. This will cut down the surpluses and help maintain parity prices for what we do produce. It would do much toward solving the price-support problem.

Particular mention was also made in our subcommittee's report regarding the recent deemphasis on home economics research. Testimony we took from persons engaged in home-demonstration work with farm families indicated that some part of the funds provided for the Home Economics Bureau should be used on such projects as household food consumption and family budgets and expenditures.

Seventeen million seven hundred and fifty thousand dollars was allotted for plant and animal disease and pest control. This represents an increase of \$496,000 above the budget estimates, including a supplemental of \$500,000 to meet a grasshopper emergency in the West. With these restored funds, the Department will have sufficient latitude to work out arrangements with the States as to adequate financial support and uniform quarantine regulations for those programs where further Federal

withdrawal appears warranted. Some Federal participation in these programs will, of course, always be necessary to assure free and unhampered interstate shipment of agricultural products.

The Meat Inspection Service was allotted the full budget estimate of \$14,325,000 which will permit continuation of the program at the same level as was authorized in 1955.

One million nine hundred thousand dollars has been allotted for research in foot and mouth disease and other contagious diseases of animals and poultry. I am a strong believer in research and in the dissemination of the results of the Department's findings and certainly hope these funds will be used to practical advantage.

There is another basic problem which I wish to discuss in the few minutes left to me. In my opinion, the Department officials and the Bureau of the Budget made a very grave error when they advanced the idea through smaller funds that the Soil Conservation Service should be subordinated to the Extension Service, and it would appear, gradually eliminated. Our subcommittee very definitely considers that these two great organizations are essential to the welfare of agriculture in America and agreed that neither one should be subordinated to the other. We have made appropriations available in this bill of \$48,895,000 for Extension and \$45,475,000 for payments to the States and land-grant colleges, for experimental stations, and we increased the item for soil-conservation operations by \$2,916,379 above the budget request.

The Rural Electrification Administration's program, so vital to every farmer in the Nation, was allowed \$160 million in loan authorizations, the full budget request, together with an additional \$100 million injected by our subcommittee for a contingency fund to enable the Secretary of Agriculture to meet any large or unusual needs in any area of the country which could not be handled within the regular authorization. With an estimated carryover of \$21 million and probably rescissions of \$4 million, the REA will have a total of \$185 million available for electrification loans during the coming year, exclusive of the contingent fund I mentioned.

The rural telephone program was given \$75 million, which represents an increase of \$5 million over the budget estimate and should enable the telephone program to continue at the same level as was authorized last year. There is a large backlog of loan applications on hand and our subcommittee felt it would be unwise to reduce the funds for the program below last year's level. We hope that the additional funds authorized for the rural telephone program will speed up the handling of loan applications and construction work.

We have provided \$185,217,957 for reimbursements to the Commodity Credit Corporation to take care of funds advanced for special programs authorized by Congress. The very successful Paki-

stan wheat program was one of these for which CCC is being reimbursed.

As I said, when I opened my remarks, we have brought a good bill to the House and we have provided for the agricultural programs for America very adequately. I hope the membership will support our measure.

A Proposal to Repeal Federal Taxes on Gasoline, Lubricating Oils, and Diesel Fuel

EXTENSION OF REMARKS OF

HON. JAMES T. PATTERSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 31, 1955

Mr. PATTERSON. Mr. Speaker, today I introduced a bill in Congress to repeal Federal taxes on gasoline, lubricating oils, and diesel fuel.

If my proposed legislation is enacted it will save Connecticut's taxpayers over \$10 million a year and return to the voters the right to determine when, where, and what amount of their tax dollars are to be spent for highway improvements. This is the American way.

Nor are these the only objectives I have in mind in submitting my proposal to Congress. I offer the following additional reasons:

First. During the past several years the Federal motor fuel taxes collected in Connecticut were more than double the Federal allotments for highway construction in Connecticut.

Second. Only a few days ago President Eisenhower's own United States Comptroller General, Joseph Campbell, told the Congress that the administration-sponsored \$101 billion, 10-year interstate superhighway program raised "questions of legality," and indicated he might officially rule against the very heart of the program—the earmarking of Federal gasoline taxes to pay for highway construction.

Third. In the broad constitutional concept of States' rights, the construction, improvement, and maintenance of State highways is the primary responsibility of State governments.

Fourth. The construction of proposed defense highways is the responsibility of the Federal Government, and should be financed by special appropriations of Congress. The American Constitution provides that the common defense of the country is vested in the Federal Government.

I wish to point out that the 1953 allocation of Federal funds to build highways in Connecticut was only \$4,897,000, compared to the \$11,512,000 paid into the Federal Treasury from Connecticut under the 2-cents-per-gallon Federal levy on gasoline and the 6-cents-per-gallon Federal tax on lubricating oils. During the same year the 4-cents-per-gallon

Connecticut State tax amounted to \$23,759,000.

The United States Bureau of Public Roads estimates that approximately \$12 million will be collected this year in Connecticut. New allocations—fiscal year 1956—of Federal funds for Connecticut highways will be \$8,086,262—primary highways, \$2,057,610; secondary highways, \$1,031,625; urban roads, \$3,350,400; interstate highways, \$1,656,627.

While it is true that the Federal motor fuel taxes are not allocated directly to States for highway construction, but are revenues going into the general Treasury funds, the whole theory that Federal grants in aid for State highway construction is built on the premise that the Federal Government is making a comparable return for tax dollars collected. This is a distorted concept. Furthermore, the Federal Government has never adequately supported badly needed farm to market roads, but concentrated on expanding the bulk of Federal aid on building superhighways in sparsely settled areas of the West or poor sections of the South. This is another reason why the Federal levy ought to be abolished. But I am not in favor of abolishing the Bureau of Public Roads needed to plan and supervise defense highways and act in a research and advisory capacity to State highway departments.

If the 2 cent a gallon Federal gas tax is relinquished, the States can reimpose it to meet the specific needs of their own highway program. An intensified State and local highway program is badly needed in Connecticut.

In the event of air-atomic attack, the roads of Naugatuck Valley are appallingly inadequate to meet the needs of evacuating the entire population as now projected by the civil-defense planners.

In view of the fact that Naugatuck Valley has been designated a probable critical target area, civil-defense officials are planning a simulated attack exercise beginning June 15 to test civil defense operational procedures.

If a rapid mass evacuation of only 50,000 people in the Naugatuck Valley was undertaken, a terrible traffic jam would result. But a "dry run" of this nature would certainly highlight the essential need of defense highways in the valley.

I will support the proposed Federal superhighway program if all Federal automotive and motor-fuel taxes collected in Connecticut are earmarked for highway use in the State. Comptroller General Campbell's questioning the legality of earmarking these funds to retire the highway bonds calls for a reevaluation of the whole program.

Joe Campbell has the statutory authority to spike the very heart of the program, therefore my bill will release the Federal Government from the burden of collecting a gas tax it probably cannot use for highway building and allow the States to reimpose the tax where it can be legally earmarked to build drastically needed public highways.

Gen. Raymond S. McClain: The Best Weapon Is Still Man

EXTENSION OF REMARKS

OF

HON. LEROY JOHNSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 30, 1955

Mr. JOHNSON of California. Mr. Speaker, perhaps the most outstanding civilian soldier of the second World War was Lt. Gen. Raymond S. McClain.

Life Magazine was thoughtful enough to send to me—and I assume to all Congressmen—a copy of an article written by General McClain during the last few days of his life.

It is the most powerful and convincing article on the need for trained reserves and the way to have them at all times that I have ever read.

In addition to the tremendous record as a soldier in the First World War and the Second World War he was an outstanding citizen. While Oklahoma claimed him he was really a national citizen. In addition he was a wonderful friend, charming, thoughtful, kind, and unassuming. I wish that every person in the United States, in this critical time, could read his explanation of the much-maligned UMT plan that would, if put into effect, keep us in readiness for any eventuality all the time with a minimum of sacrifice and great benefit to those who were in the program.

Under leave to extend my remarks, I include the article, which follows:

BEST WEAPON IS STILL MAN

(By Raymond S. McClain)

There has seldom been a more maligned and less understood subject than what has popularly become known as UMT. Universal military training is strictly an American term, and strictly an American concept. It envisages a short period of military training for all fit young men, after which, as members of the reserve, they will stand in readiness to defend their country when the need arises. The basic idea in its present form was devised by Gen. George C. Marshall as an economical, equitable plan for meeting the accelerated speed of modern war in its initial stages. Marshall's belief in it was spurred by the many letters he received from those of us who had to command troops in combat and from our reports about the shocking burden our soldiers had to withstand when the enemy bore down on us with superior strength, making it necessary for us to keep trained men in foxholes week after week and even month after month under distressing conditions because we had no trained replacements. Britain, France and in fact all but very few of the world's nations have systems to the same purpose, but employ what may be actually described as universal service or conscription. The basic idea of those who advocate UMT is that it can give us adequate preparation for less cost in money to the Nation and less individual sacrifice of life and time than are required by selective service.

Since the establishment of this Nation there has been a cleavage in thought between those such as Washington and Jefferson who advocated strengthening our reserve forces and those professional military men who followed what has been called the "Utopian plan" of large and expansible regular forces. In the old days, this latter theory, based on

the idea of a force large enough to perform until general mobilization could be accomplished, seemed reasonable enough in view of our distance from Europe and Asia.

All of our wars have been eventually fought by civilian soldiers. The present problem is, shall we train them or not? If so, shall we keep them, as Russia does, for long periods in the regular forces? Or shall we raise them to a level of training so that they can be profitably utilized in case of emergency, but in the meantime are free to act as individuals for the Nation's welfare?

Here are some of the arguments used against UMT:

"It is against our traditions and contrary to the way of life our ancestors visualized for this new country. Our ancestors came over here to escape just such a system in the old countries and to avoid wars."

We have been shedding traditions ever since we shed the tradition of the divine right of kings. Some of our ancestors might have come over here with the idea of escaping military conscription. Probably more came for other reasons. But all had other ideas in their minds too. Our ancestors wanted and had, and we their descendants have, religious liberty, liberty of conscience, liberty of assembly, of petition, of the press, of personal choice of the means we employ to live and to enjoy living. Our ancestors' belief in defending these values overwhelmed their belief that they could avoid wars, but our fallacious devotion to unpreparedness nearly cost us our independence, did cost those who fought the war for independence and every war since unnecessary sacrifice.

The voluntary system of fighting wars has been a delusion. Never have enough volunteers been available in any major war. Equity of burden in war should be just as essential an element in our existence as equity of benefit in our civil existence. What could be more democratic, more fair, more American? The volunteer system in time of war can only become a device used by those in authority to avoid the responsibility of making fair decisions as to who should perform hazardous duty. Any commander who calls for volunteers to undertake an extremely hazardous mission is shirking his responsibility. The courageous men volunteer time and again until there are few left. Why should the most courageous be liquidated first by their own generosity of spirit?

"Some say that massed armies are a thing of the past; that Russia so outnumbers us man for man, that we cannot hope to meet its challenge in ground warfare."

Massed armies, as popularly conceived, have been on the decline since the Napoleonic wars. With continuing improvement in the efficiency of firearms, commanders have constantly had to revamp and disperse their troop formations in order that these could withstand the type of fire delivered against them. But because of new weapons and logistics, and because of this need for dispersal, major wars have required more and more men than ever before, and there is no indication that this will change in the future. Despite all the so-called ultimate weapons developed since the turn of the century, more and more men, not less, have engaged in our wars.

That Russia has more manpower and cannot be matched man for man is sheer fallacy. The total population of Russia and her western satellites was about 50 million less than that of the NATO countries before Greece and Turkey were brought into that organization. There is little question that the man of the NATO nations can acquire himself better on the battlefield than the average Russian because of superior firepower, control, and mobility. In the factory he can produce probably six times as much; on the farm, probably four times as much; and in administrative positions probably

outwork the Russian better than two to one because of less red tape.

Any of us who were in contact with the Russians at the end of the war know that no policy or strategic decision can be taken by any Russian unless he has direct orders from Moscow. We can all imagine, too, how much bureaucratic machinery is required to transmit requests to and get orders from Moscow.

"Germany and France have both had universal service and both have been defeated whereas we as a Nation have never had either universal service or universal training and have always won our wars."

As a matter of fact, if France had not had universal service when World War I began, it would have been completely overrun. It was only because the French had trained men in readiness that they were able to stop the Germans before they took Paris. It might be more profitable to point to Switzerland and Sweden, both of whom have had a form of universal training and service and neither of whom has had a war in the last 140 years, while the United States has had five recognizable major wars and many little ones. In both World Wars and in Korea we had to resort to selective service before we could win.

"It is said by some that military training camps are dens of iniquity that would be bound to influence adversely the character of the 18-year-old trainees."

I have spent some 42 years around training camps, and it has been my experience that there is no more temptation at the average one than there is at the average high school in the United States. Training camps are run by officers who feel directly responsible for the trainees. And as an added safeguard, Congress, in the present Universal Military Training and Service Act, created the civilian-controlled National Security Training Commission to oversee training camps and make sure that the proper moral atmosphere exists.

"It is said that young men of 18 do not have the time to devote 6 months to military training."

Not only have many veterans of past wars taken much more than 6 months out of many of their lives, but some have taken as much as 4 or 5 years, and hundreds of thousands have sacrificed limbs or their very lives in order that those who advance such statements might enjoy the privilege of peaceful existence.

"Some people maintain that any military training program should be carried on in high schools."

There are over 23,000 high schools in the United States. To be carried on successfully the program would require building 23,000 armories, establishing 23,000 staffs to carry on instruction, providing 23,000 sets of equipment—and setting all this up right in the midst of our civilian life. Such a program would involve not young men of 18, but boys of 14, 15, and 16. Why shouldn't these youngsters be allowed to enjoy athletics and nonmilitary pursuits at this age?

It should also be remembered that many small high schools have less than 50 male students in attendance, while great numbers of our young men never finish high school and would escape all training. If there is any way to militarize this country, in my belief, a universal system of training in high schools would be the quickest way to do it.

I do not mean to detract from some of the fine private military schools which give this type of training as a part of their regular curricula, because in their case the individual has his choice of going or not going.

"Some argue that the training in a universal program would be largely wasted because it does not provide divisions ready to fight and that all training would have to be done over in case of mobilization because of advances in weapons."

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued April 22, 1955
For actions of April 21, 1955
84th-1st, No. 66

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HIGHLIGHT; Senate committee ordered reported USDA appropriation bill.

SENATE

1. AGRICULTURAL APPROPRIATION BILL, 1956. The Appropriations Committee reported with amendments this bill, H. R. 5239, and was authorized to file the report while the Senate is not in session (pp. D317, 4129) (S. Rept. 216). At the end of this Digest is a table showing actions on the bill.
2. ORGANIZATION, EXECUTIVE. The Government Operations Committee agreed to report S. 1763, relating to the extension and final liquidation of the Commission on Organization of the Executive Branch of the Government. This bill would extend the Commission for 30 days, authorizing the Commission to submit its final report not later than June 30, 1955, and would also provide that the Chairman of the Commission shall have charge of the final liquidation of the affairs of the Commission after June 30, 1955, and that such liquidation shall be completed within a period not to exceed 90 days after June 30, 1955 (p. D318).
3. FOREIGN AID. Sen. Wiley discussed the foreign aid program and its importance to the trade of Wisconsin, including exports of agricultural products, and inserted a memorandum on this subject (pp. 4135-6).
4. RECLAMATION. The Irrigation and Reclamation Subcommittee, Interior and Insular Affairs Committee, ordered reported with amendments, S. 300, authorizing the construction, operation, and maintenance of the Fryingpan-Arkansas project, Colo. (p. D318).
5. ROADS. Received a Colo. State Legislature joint resolution urging enactment of legislation for the construction of a highway known as the Navaho Trail which would connect highways in southwestern Colo. and northern Ariz. (p. 4130).

6. ADJOURNED until Mon., Apr. 25 (p. 4139). Legislative program for next week as stated in the "Daily Digest": Mon., "calendar for unobjected-to bills, to be followed during week by H. R. 5239, Agriculture appropriations for fiscal 1956, and any other appropriation bill that has by then been reported, and H. R. 1, trade agreements extension" (p. D322).

HOUSE

7. TREASURY-POST OFFICE DEPARTMENTS APPROPRIATION BILL, 1956. The "Daily Digest" states that the conferees met in executive session to resolve the differences between the Senate- and House-passed versions of this bill, H. R. 4876, but did not complete their work, and will meet again Mon., Apr. 25 (p. D322).
8. PRICE SUPPORTS. The Rules Committee considered, but deferred further action until next Tues., a rule on H. R. 12, price-support program for basic farm commodities (p. D322).
9. MONOPOLIES. The Rules Committee granted an open rule, providing for 2 hours of debate, on H. R. 4954, granting a right of action to the U. S. to recover damages under the antitrust laws (pp. 4142, 4179).
10. PERSONNEL. The Post Office and Civil Service Committee ordered reported with/ amendments H. R. 3948, to clarify the Federal Employees Uniform Allowance Act relative to enactment date (p. D321).
11. AGRICULTURAL STABILIZATION COMMITTEE. Received a Mo. State Legislature memorial urging investigation of the activities of the State agricultural stabilization and conservation committee in Mo. (p. 4180).
12. SMALL BUSINESS. Rep. Harvey commended the Small Business Administration in carrying out its product-development program, stated that the SBA is not the only agency that collects technical data that would be of great service to businessmen--that the Dept. of Agriculture is another, and praised the "effective assistance that the State and National Extension Service and county farm agents have rendered to farmers" (pp. 4172-4).
13. ADJOURNED until Mon., Apr. 25 (p. 4179). Legislative program, as announced by Majority Leader McCormack: Mon., "no legislation pending"; Tues., amendment of the Clayton Antitrust Act; Thurs. and Fri., "If a rule is reported out it is expected to call up H. R. 12, the agriculture price-support bill. I am setting that for Thursday, conditioned upon a rule being reported out." (pp. 4178-9)

ITEMS IN APPENDIX

14. TRADE AGREEMENTS. Rep. Philbin inserted a Soft Fibre Manufacturers' Institute of New York statement opposing H. R. 1, the reciprocal trade agreements extension bill (pp. A2661-2).
15. FARM MACHINERY. Extension of remarks of Rep. Knox urging favorable consideration of his bill H. R. 5659, to provide a tax refund on gasoline used or re-sold for the operation of motorized equipment for agricultural purposes (p. A2665).

16. PRICE SUPPORTS. Rep. Harrison (Nebr.) inserted two newspaper editorials opposing H. R. 12, the proposed 90 percent price-support bill and stating that "surely it is time to give flexible supports a fair trial" (pp. A2668-9).
17. ELECTRIFICATION. Rep. George inserted a Parsons (Kans.) Sun editorial entitled, "As to Rural Power," opposing the Hoover Commission recommendation that REA rely on private financing instead of Government loans (pp. A2674-5).
18. FOOD RESEARCH. Rep. Hope inserted a Newsweek article, "Food: Not Less, but More," discussing recent research achievements in agriculture and commending work done by land-grant colleges, USDA, and other government agencies as well as private research organizations (pp. A2687-8).

BILLS INTRODUCED

19. FLOOD CONTROL; ELECTRIFICATION. H. R. 5789, by Rep. Coon, to provide for cooperation in financing and prosecuting early development of the John Day project on the Columbia River, Oreg. and Wash., for navigation, irrigation, flood control, and power production; to Public Works Committee (p. 4180). Remarks of author (pp. 4174-7).
20. ACREAGE ALLOTMENTS. H. R. 5800, by Rep. Burleson, to provide special acreage allotments in areas of general crop failure; to Agriculture Committee (p. 4180).
21. WATER COMPACT. H. R. 5804, by Rep. Thomson, Wyo., to grant the consent of Congress to the States of Colo., Ia., Kans., Minn., Mo., Mont., Nebr., N. Dak., S. Dak., and Wyo., to enter into a compact relating to the development, etc., of the Missouri Basin; to Interior and Insular Affairs Committee (p. 4180).
22. RECLAMATION. H. R. 5806, by Rep. Udall, to authorize the Secretary of the Interior to execute a repayment contract with the Yuma Mesa Irrigation and Drainage District, Gila project, Ariz.; to Interior and Insular Affairs Committee (p. 4180).
23. PRICES. H. Res. 220, by Rep. Davidson, creating a select committee to conduct an investigation and study of consumer problems in the U. S.; to Rules Committee (p. 4180).

COMMITTEE HEARING RELEASED BY GPO

24. TOBACCO PROGRAM. S. and H. Agriculture Subcommittees on Tobacco.

COMMITTEE HEARING ANNOUNCEMENTS FOR APR. 22: Dairy program, H. Agriculture (Kriesel, AMS, to testify). Drought loans, H. Agriculture (McLeaish, FHA, to testify). Distribution of surplus commodities to schools, H. Gov't Operations. APR. 26: Per diem allowances, H. Gov't Operations (Roberts to testify). APR. 28: Crop insurance amendments, S. Agriculture (Laidlaw to testify). MAY 2: CCC claims on converted fungible goods, S. Agriculture (Farrington to testify). MAY 5: CCC processing of donated surpluses, S. Agriculture (witness to be designated).

UNITED STATES DEPARTMENT OF AGRICULTURE

Senate Committee Bill, 1956, Compared with House Bill, 1956

[Note.--Amounts for 1955 include all supplemental appropriations to date and are adjusted for comparability with the appropriation structure proposed in the 1956 Senate Committee Bill.]

Agency or Item	Appropriations: and Loan	Authorizations: 1955	Budget Estimates, 1956	House Bill, 1956	Senate Committee Bill, 1956	Increase (+), or Decrease (-), Senate Committee Bill Compared with House Bill, 1956
ANNUAL APPROPRIATIONS FOR REGULAR ACTIVITIES:						
Agricultural Research Service:						
Research, disease and pest control,						
and meat inspection	\$70,386,579:		\$71,863,000:	\$70,975,000:	\$72,983,700:	+\$2,008,700
Payments to State Experiment Stations:	19,453,708:		24,753,708:	24,753,708:	24,753,708:	- -
Extension Service (principally pay-						
ments to States)	43,537,500:		49,337,500:	48,895,000:	49,195,000:	+300,000
Soil Conservation Service	74,453,871:		75,396,200:	80,612,579:	82,000,000:	+1,387,421
Agricultural Conservation Program						
Service:						
Appropriation	191,700,000:		250,000,000:a/	214,500,000:a/	214,500,000:	- -
Less estimated reduction due to						
availability of balances under the						
1953 program	- -		-34,000,000:	- -	- -	- -
Net appropriation	191,700,000:		216,000,000:	214,500,000:	214,500,000:	- -
Agricultural Marketing Service:						
Marketing research and service	23,140,155:		23,396,000:	23,791,000:	24,106,000:	+315,000
School lunch program	83,236,197:		68,000,000:	83,236,197:	83,236,197:	- -
Foreign Agricultural Service	2,515,000:		3,365,000:	3,365,000:	3,365,000:	- -
Commodity Stabilization Service:						
Agricultural adjustment program	41,250,000:		39,000,000:	39,000,000:	39,000,000:	- -
Sugar Act program	59,600,000:		61,600,000:	59,600,000:	59,600,000:	- -
Federal Crop Insurance Corporation	6,000,000:		6,000,000:	6,000,000:	6,000,000:	- -
Rural Electrification Administration						
(Salaries and expenses)	7,285,000:		7,680,000:	7,680,000:	7,680,000:	- -

Farmers' Home Administration (Salaries and expenses)	23,550,000:	:	24,500,000:	:	24,500,000:	:
All other	7,171,950:	:	7,340,550:	:	7,340,550:	-
Total, Annual Appropriations for Regular Activities	653,279,960:	:	678,231,958:	:	698,260,155:	+141,600
Add estimated reduction proposed in the Budget under the Agricultural Conservation Program due to availability of balances	- -	:	+34,000,000:	:	- -	-
Total, Annual Appropriations for Regular Activities From General Fund of the Treasury	653,279,960:	:	712,231,958:	:	698,260,155:	+4,152,721
RESTORATION OF CAPITAL IMPAIRMENT, COMMODITY CREDIT CORPORATION	b/ 550,151,848:c/	:	1,634,659:c/	:	1,634,659:	-
CORPORATE ADMINISTRATIVE EXPENSE		:		:		-
LIMITATION: COMMODITY CREDIT CORPORATION:	25,290,000:	:	26,000,000:	:	26,000,000:	-
SPECIAL ACTIVITIES:		:		:		-
Research on strategic and critical agricultural materials	331,500:	:	300,000:	:	300,000:	-
Appropriations for repayment to Commodity Credit Corporation for authorized programs in 1953 and 1954:		:		:		-
Eradication of foot-and-mouth and other contagious diseases of animals and poultry	b/ 2,064,060:	:	5,788,897:	:	5,788,897:	-
International Wheat Agreement	b/ 129,553,795:	:	57,378,551:	:	57,378,551:	-
Emergency famine relief to friendly peoples (Public Law 216, approved August 7, 1953)	- -	:	a/ 9,545,830:	:	9,545,830:	-130,798
Emergency feed assistance in disaster areas	- -	:	42,100,000:	:	42,100,000:	-
Transfer of wheat to Pakistan (Public Law 77, approved June 25, 1953)	- -	:	e/ 69,385,831:	:	69,385,831:	+111,950
Total, Special Activities	131,949,355:	:	184,499,109:	:	184,499,109:	-18,848
PERMANENT APPROPRIATIONS:		:		:		
Removal of surplus agricultural commodities (30 percent of customs receipts)	180,091,952:	:	168,000,000:	:	168,000,000:	-
All other permanent appropriations	390,000:	:	590,000:	:	590,000:	-
Total, Permanent appropriations	180,481,952:	:	168,590,000:	:	168,590,000:	-

LOAN AUTHORIZATIONS:

Rural Electrification Administration

Loans	f/	210,000,000:g/	230,000,000:h/	235,000,000:h/	235,000,000:
Farmers' Home Administration Loans		153,000,000:	147,000,000:	153,000,000:	153,000,000:
Total, Loan Authorizations		363,000,000:	377,000,000:	388,000,000:	388,000,000:

a/ House and Senate Committee Bills authorize the formulation of a 1956 crop year program amounting to \$250,000,000 (Budget Estimate, \$175,000,000).

b/ Represents cancellation of CCC notes in 1954.

c/ Restoration of capital has been accomplished in prior years on basis of the valuation of assets as of June 30 of each year. P. L. 312 approved March 20, 1954 provides for determination of capital impairment in the future on the basis of realized losses. The estimate of \$1,634,659 represents the unrestored realized losses of the Corporation as of June 30, 1954.

d/ Revised Budget Estimate based on final documentation of quantities of commodities actually shipped and includes increased interest costs for the last six months of fiscal year 1955 (Original Budget Estimate, \$9,676,628).

e/ Revised Budget Estimate based on increased interest costs during last six months of fiscal year 1955 (Original Budget Estimate, \$69,273,881).

f/ In addition, Act provides a reserve authorization of \$35,000,000 for rural electrification loans. Including the carry-over of funds from prior years, it is estimated that loans totaling \$240,000,000 will be made in fiscal year 1955, as follows: Rural electrification, \$165,000,000; rural telephone, \$75,000,000.

g/ In addition, the Budget proposed a reserve authorization of \$35,000,000 for rural electrification loans for use only if legislation eliminating present requirements for allotments among States is not enacted. Including the carry-over of funds from prior years, it is estimated that loans totaling \$265,000,000 will be made in fiscal year 1956, as follows: Rural electrification, \$185,000,000; rural telephone, \$80,000,000.

h/ In addition, for rural electrification loans, the House and Senate Committee Bills provide a reserve authorization of \$100,000,000.

AGRICULTURAL AND FARM CREDIT ADMINISTRATION
APPROPRIATION BILL, 1956

APRIL 21 (legislative day, APRIL 18), 1955.—Ordered to be printed

Mr. RUSSELL, from the Committee on Appropriations, submitted the
following

R E P O R T

[To accompany H. R. 5239]

The Committee on Appropriations, to whom was referred the bill (H. R. 5239) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1956, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made:

Amount of bill as passed House (direct appropriations)_____	\$880, 260, 050
Amount of increase by Senate committee (net)_____	4, 133, 873
Amount of bill as reported to Senate_____	884, 393, 923
Amount of appropriations, 1955_____	653, 611, 460
Amount of estimates for 1956, including \$700,000 submitted in Senate Document No. 30_____	898, 384, 574
The bill as reported to the Senate:	
Over the appropriations for 1955_____	230, 782, 463
Under the estimates for 1956_____	13, 990, 651

GENERAL STATEMENT

The amount of the bill as it passed the House was \$880,260,050, of which \$694,107,434 is appropriated for regular activities, \$1,634,659 is appropriated for restoration of capital impairment to Commodity

Credit Corporation, and \$184,517,957 is appropriated for reimbursements to Commodity Credit Corporation, and for strategic and critical materials research under special activities.

The Senate committee recommends increases of \$4,264,671 and decreases of \$130,798, for a net increase of \$4,133,873.

The amount of \$184,499,109 in the bill for reimbursements to Commodity Credit Corporation is occasioned by the act of March 20, 1954 (Public Law 312, 83d Cong.), which required that "such capital impairment shall be restored with appropriated funds as provided herein rather than through the cancellation of notes." This accounts for a large portion of the amount that the bill is over the 1955 appropriations.

INCREASES AND LIMITATIONS

The changes recommended by the committee in the amounts of the House bill are as follows:

TITLE I—REGULAR ACTIVITIES

AGRICULTURAL RESEARCH SERVICE:

Research----- \$1, 000, 000

The increase recommended by the committee is to provide a total of \$38,000,000, which is \$316,000 over the budget estimate of \$37,684,000.

The committee received many requests for increases on specific projects, but recommends the following items as most desirable within the total of funds provided:

(1) Without earmarking a specific amount, that a special study be made of (a) the effect on farm income and the general economy of the United States of acreage reductions imposed on 1954 and 1955 crops, and (b) the most satisfactory solution to this problem, including the encouragement of sound soil conservation practices upon land diverted from production under such acreage restrictions.

(2) An additional amount of \$50,000 be used for improvement, operation, and maintenance of the National Arboretum.

(3) That higher priority be given to the needed additional research on problems of beekeeping industry.

(4) That adequate funds be added to the research on screwworm eradication to enable the program to be stepped up, particularly in view of recent developments promising a speedier solution to the problem.

(5) That a full report with recommendations be submitted in the near future to the Appropriations Committees of the House and Senate regarding the desirability of a national seed storage facility and the local financial support that may be available in connection therewith, as a basis for action of the Congress, in line with the statement in the House report.

(6) That far n electrification research be allotted such additional funds as can be beneficially used.

(7) That research on the burrowing nematode, causing spreading decline of citrus trees to an alarming degree, be stepped up on a priority basis, in order that program recommendations may be soon submitted to the House and Senate Appropriations Committees, including the type and extent of control program that will solve the problem.

INCREASES AND LIMITATIONS—Continued

TITLE I—REGULAR ACTIVITIES—Continued

AGRICULTURAL RESEARCH SERVICE—Continued

The committee also recommends that the following proviso be stricken from the bill:

: *Provided*, That not less than \$200,000 of this appropriation shall be available to conduct a special study of (1) the effect on farm income and the general economy of the United States of acreage reductions imposed on 1954 and 1955 crops, and (2) the most satisfactory solution to this problem, including the encouragement of sound soil conservation practices upon land diverted from production under such acreage restrictions

Plant and animal disease and pest control-----	\$1, 008, 700
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The increase recommended by the committee is for the following:

(1) Increase requested in S. Doc. No. 30 for emergency programs of control as they arise from infestations of grasshoppers, khapra beetle, European chafer, Mexican fruitfly, or other insects.		\$700, 000
(2) Increase over the budget and House allowance for plant quarantines, to provide a total of \$3,000,000-----		308, 700

Total increase-----	1, 008, 700
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The committee also recommends that the apportionment to meet emergency conditions be increased from \$400,000 to \$1,100,000, as requested in S. Doc. No. 30.

Total increases, Agricultural Research Service-----	2, 008, 700
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EXTENSION SERVICE:

GRAIN SANITATION PROGRAM

The committee endorses the statement in the House report as to the need for an intensified educational program among agriculture producers on grain sanitation problems, and urges the Department in cooperation with State and county services to foster this educational program to the full extent of their ability.

FEDERAL EXTENSION SERVICE:

Penalty mail-----	300, 000
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The increase recommended by the committee is a partial restoration of the House reduction of \$442,500, to provide a total amount of \$1,800,000 for the costs of penalty mailings by the cooperative extension agents.

Total increase, Extension Service-----	300, 000
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INCREASES AND LIMITATIONS—Continued

TITLE I—REGULAR ACTIVITIES—Continued

SOIL CONSERVATION SERVICE:

Conservation operations-----	\$1, 387, 421
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The committee agrees with the House in opposing the proposed reductions contained in the 1956 budget, and in adding \$1,044,000 to finance technical service to the 58 new soil conservation districts expected to be established during the coming fiscal year.

The additional increase recommended by the committee is to maintain and improve the technical assistance provided to farmers, as well as to increase the work on soil surveys which are the basis of sound conservation planning. The primary purpose of the committee is to make sure that the effectiveness of technical assistance is not reduced or impaired in any respect, but is expanded to the fullest extent within the funds available.

Total increase, Soil Conservation Service---	1, 387, 421
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AGRICULTURAL CONSERVATION PROGRAM SERVICE:

For the purpose of providing the assistance and supervision of county committees needed to insure acceptable work at the county level and helping to attain a more efficient and more effective program administration, the committee recommends that the limitation on administrative expenses be increased from \$22,500,000 to \$23,000,000, and that the limitation on the transfer to section 392 be increased from \$4,020,000 to \$4,520,000.

In order to make it possible to obtain the services of technicians not only from the Soil Conservation Service but also from other agencies, the committee recommends the inclusion of the proviso proposed in the budget estimate, as follows:

and for the 1956 program an amount not to exceed 5 per centum of the amount of funds available for payments under the 1956 program for the State shall be available for transfer to any Federal, State, or local public agency for services of technicians in formulating and carrying out the agricultural conservation program, but such use of these funds may be made only on the recommendation of the county committee and approval of the State Committee

and the deletion of the 1955 proviso as inserted by the House, as follows:

: Provided further, That not to exceed 5 per centum of the allocation for the 1956 agricultural conservation program for any county may, on the recommendation of such county committee and approval of the State committee, be withheld and allotted to the Soil Conservation Service for services of its technicians in formulating and carrying out the agricultural conservation program in the participating counties, and the funds so allotted may be placed in a single account for each State, and shall not be utilized by the Soil Conservation Service for any purpose other than technical and other assistance in such counties

INCREASES AND LIMITATIONS—Continued

TITLE I—REGULAR ACTIVITIES—Continued

AGRICULTURAL MARKETING SERVICE:

Marketing research and agricultural estimates.....	\$115, 000
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The committee agrees with the statement in the House report stressing the importance of gathering statistics and conducting a special study on the price spread between the farmer and the consumer, but the committee doubts the wisdom of earmarking for this purpose almost 20 percent of the total appropriation item. \$100,000 of the increase recommended is to provide for the study within the funds appropriated.

\$15,000 of the increase recommended is to provide for crop reporting work in Hawaii.

The total amount provided is \$11,096,000, which is \$115,000 over the budget estimate of \$10,981,000.

The committee was informed of the need for additional statistics by the potato industry, to assist in developing sound production and marketing plans. The Department is requested to apprise the committee in the next budget as to the desirability and in their opinion the feasibility of improving such service.

The committee also recommends that the following proviso be stricken from the bill:

: Provided, That not less than \$1,000,000 of the funds contained in this appropriation shall be available to gather statistics and conduct a special study on the price spread between the farmer and the consumer

Marketing services.....	200, 000
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The increase recommended by the committee is to provide for a part of the indirect overhead costs of poultry and egg inspection services.

Total Increases, Agricultural Marketing Service.....	315, 000
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FOREIGN AGRICULTURAL SERVICE:

The committee is in complete agreement with the statement in the House report as to the need for gathering and keeping current information on foreign agricultural production and for conducting a study of agricultural programs and policies in other countries throughout the world. The committee has been assured by the Department that the information and study will have their attention, and in relying upon that assurance the committee believes the earmarking of a specific amount for that purpose would be unwise.

Accordingly, the committee recommends that the following proviso be stricken from the bill:

: Provided, That not less than \$500,000 of the funds contained in this appropriation shall be available to obtain statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis

INCREASES AND LIMITATIONS—Continued

TITLE I—REGULAR ACTIVITIES—Continued

COMMODITY STABILIZATION SERVICE:

Agricultural adjustment programs:

To restore the budget estimate, the committee recommends that the limitation on the transfer to administrative expenses under sec. 392 be increased from \$5,500,000 to \$6,165,000.

Sugar Act program:

To restore the budget estimate, the committee recommends that the limitation for administrative expenses be increased from \$1,440,000 to \$1,617,000.

FARMERS' HOME ADMINISTRATION:

To restore the budget estimate, the committee recommends that the limitation for the transfer of fees and administrative expense charges be increased from \$400,000 to \$500,000.

The committee also recommends the insertion and correction of citations, to conform to enactments in the 83d Congress.

OFFICE OF THE GENERAL COUNSEL-----

\$85, 000

The increase recommended by the committee is to restore the budget estimate of \$2,164,000 for salaries and expenses.

The committee also recommends that the limitation on the transfer of amounts from other appropriations or authorizations be increased from \$300,000 to \$375,000.

OFFICE OF THE SECRETARY-----

56, 600

The increase recommended by the committee is to restore the budget estimate of \$2,172,600.

Total increases, title I-----

4, 152, 721

TITLE II—CORPORATIONS

COMMODITY CREDIT CORPORATION:

The committee recommends that the following proviso be stricken from the bill:

: *Provided further, That \$2,000,000 of this authorization shall be available only to expand and strengthen the sales program of the Corporation pursuant to authority contained in the Corporation's charter*

The committee also recommends that the following proviso, as requested in the budget estimate, be inserted in the bill:

: *Provided further, That \$934,914 of this authorization shall be placed in reserve to be apportioned pursuant to Section 3679 of the Revised Statutes, as amended, for use only in such amounts and at such time as may become necessary to carry out program operations*

INCREASES AND LIMITATIONS—Continued

TITLE III—SPECIAL ACTIVITIES

Reimbursement to Commodity Credit Corporation for Transfer of Wheat to Pakistan.....	\$11, 950
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The increase recommended by the committee is to provide for the revised budget estimate based on increased interest costs.

Total increases, title III.....	111, 950
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Total increases, title I.....	4, 152, 721
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Total increases, title III.....	111, 950
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Total increases.....	4, 264, 671
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DECREASES

TITLE III—SPECIAL ACTIVITIES

Reimbursement to Commodity Credit Corporation for Emergency Famine Relief to Friendly Peoples.....	130, 798
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The decrease recommended by the committee is to provide for the revised budget estimate, based on a decrease in actual value of wheat and flour shipped, as a result of final documentation, amounting to \$150,090, less increased interest costs of \$19,292.

Total decreases.....	130, 798
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TITLE V—GENERAL PROVISIONS

Section 504. Limitation on funds for prediction of future prices of cotton.

The committee recommends the addition of the words:

or apples

Total increases.....	4, 264, 671
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Less total decreases.....	130, 798
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Net increase.....	4, 133, 873
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Amount of bill as reported to Senate.....	884, 393, 923
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PERMANENT AUTHORIZATIONS

Agency and item	Authorizations, 1955	Estimates, 1956	Increase or decrease
Agricultural Marketing Service:			
Perishable Agricultural Commodities Act Fund.....	\$390, 000	\$390, 000	-----
Removal of surplus agricultural commodities.....	180, 091, 952	168, 000, 000	-\$12, 091, 952
Total, Agricultural Marketing Service.....	180, 481, 952	168, 390, 000	-12, 091, 952
Commodity Stabilization Service: National Wool Act.....	-----	200, 000	+200, 000
Total, permanent authorizations.....	180, 481, 952	168, 590, 000	-11, 891, 952

LOAN AUTHORIZATION

(TITLE I)

Agency and item	Authoriza- tions, 1955	Estimates, 1956	Recom- mended in House bill for 1956	Amount recommended by Senate committee	Increase (+) or decrease (-) Senate bill compared with—		
					Authoriza- tions, 1955	Estimates, 1956	House bill
Rural Electrification Administration:							
Electrification.....	\$135,000,000	\$160,000,000	\$160,000,000	\$160,000,000	+\$25,000,000		
Telephone.....	75,000,000	70,000,000	75,000,000	75,000,000		+\$5,000,000	
Total, Rural Electrification Administration.....	210,000,000	230,000,000	235,000,000	235,000,000	+\$25,000,000	+\$5,000,000	
Farmers' Home Administration:							
Farm ownership and housing.....	19,000,000	13,000,000	19,000,000	19,000,000		+\$6,000,000	
Production and subsistence.....	122,500,000	122,500,000	122,500,000	122,500,000			
Soil and water conservation.....	11,500,000	11,500,000	11,500,000	11,500,000			
Total, Farmers' Home Administration.....	153,000,000	147,000,000	153,000,000	153,000,000		+\$6,000,000	
Total, loan authorizations.....	363,000,000	377,000,000	388,000,000	388,000,000	+\$25,000,000	+\$11,000,000	

CORPORATE EXPENSES

(TITLE II)

Agency and item	Authoriza- tions, 1955	Estimates, 1956	Recom- mended in House bill for 1956	Amount recommended by Senate committee	Increase (+) or decrease (-) Senate bill compared with—		
					Authoriza- tions, 1955	Estimates, 1956	House bill
Commodity Credit Corporation:							
Restoration of capital impairment.....	(1)	\$1, 634, 659	\$1, 634, 659	\$1, 634, 659	+\$1, 634, 659		
Administrative expense limitation.....	(\$25, 290, 000)	(26, 000, 000)	(26, 000, 000)	(26, 000, 000)	(-710, 000)		
Total, corporate expenses.....		1, 634, 659	1, 634, 659	1, 634, 659	+1, 634, 659		

1 Handled by note cancellation.

SPECIAL ACTIVITIES
(TITLE III)

Agency and item	Appropriations, 1955	Estimates, 1956	Recommended in House bill for 1956	Amount recommended by Senate committee	Increase (+) or decrease (—) Senate bill compared with—		
					Appropriations, 1955	Estimates, 1956	House bill
Research on strategic and critical agricultural materials.....	\$331,500	\$300,000	\$300,000	\$300,000	—\$31,500	-----	-----
Reimbursements to Commodity Credit Corporation:							
Eradication of foot-and-mouth and other contagious diseases of animals and poultry.....	(1)	5,788,897	5,788,897	5,788,897	+5,788,897	-----	-----
International Wheat Agreement.....	(1)	57,378,551	57,378,551	57,378,551	+57,378,551	-----	-----
Wheat to Pakistan.....		69,273,881	69,273,881	69,385,831	+69,385,831	+\$111,950	+\$111,950
Emergency feed assistance.....		42,100,000	42,100,000	42,100,000	+42,100,000	-----	-----
Famine relief to friendly peoples.....		9,676,628	9,676,628	9,545,830	+9,545,830	—130,798	—130,798
Total reimbursements to Commodity Credit Corporation.....		184,217,957	184,217,957	184,199,109	+184,199,109	—18,848	—18,848
Total, special activities.....	331,500	184,517,957	184,517,957	184,499,109	+184,167,609	—18,848	—18,848

1 Handled by note cancellation.

FARM CREDIT ADMINISTRATION
(Administrative Expense Limitations)

(TITLE IV)

Agency and item	Authoriza- tions, 1955	Estimates, 1956	Recom- mended in House bill for 1956	Amount recommended by Senate committee	Increase (+) or decrease (—) Senate bill compared with—	
					Authoriza- tions, 1955	Estimates, 1956
Farm Credit Administration.....	\$2,320,000	\$2,320,000	\$2,320,000	\$2,320,000		
Federal Farm Mortgage Corporation.....	650,000	550,000	550,000	550,000	—\$100,000	
Federal intermediate credit banks.....	1,740,000	1,825,000	1,825,000	1,825,000	+85,000	
Production Credit Corporations.....	1,540,000	1,595,000	1,595,000	1,595,000	+55,000	
Total, Farm Credit Administration.....	6,250,000	6,290,000	6,290,000	6,290,000	+40,000	

**COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1955, ESTIMATES FOR 1956, AND AMOUNTS
RECOMMENDED IN THE BILL FOR 1956**

TITLE I—REGULAR ACTIVITIES

Agency and item	Appropriations, 1955	Estimates, 1956	Recommended in House bill for 1956	Amount recommended by Senate committee	Increase (+) or decrease (-), Senate bill compared with—	
					Appropriations, 1955	Estimates, 1956
Agricultural Research Service:						
Salaries and expenses:						
Research.....	\$35,822,000	\$37,684,000	\$37,000,000	\$38,000,000	+\$2,178,000	+\$316,000
Plant and animal disease and pest control.....	1 18,339,579	2 17,954,000	17,750,000	18,758,700	+419,121	+804,700
Meat inspection.....	14,325,000	14,325,000	14,325,000	14,325,000		
Total, salaries and expenses.....	68,486,579	69,963,000	69,075,000	71,083,700	+2,597,121	+1,120,700
Payments to States, Hawaii, Alaska, and Puerto Rico.....	19,453,708	24,753,708	24,753,708	24,753,708	+5,300,000	
Foot-and-mouth and other contagious diseases of animals and poultry—Research.....	1,900,000	1,900,000	1,900,000	1,900,000		
Total, Agricultural Research Service.....	89,840,287	96,616,708	95,728,708	97,737,408	+7,897,121	+1,120,700
Extension Service:						
Payments to States, Hawaii, Alaska, and Puerto Rico.....	39,675,000	45,475,000	45,475,000	45,475,000	+5,800,000	
Federal Extension Service:						
Administration and coordination.....	1,920,000	1,920,000	1,920,000	1,920,000		
Penalty mail.....	1,942,500	1,942,500	1,500,000	1,800,000	-142,500	-142,500
Total, administration and coordination.....	3,862,500	3,862,500	3,420,000	3,720,000	-142,500	-142,500
Total, Extension Service.....	43,537,500	49,337,500	48,895,000	49,195,000	+5,657,500	-142,500
Farmer Cooperative Service:						
	408,000	408,000	408,000	408,000		

¹ Includes \$650,000 contained in Second Supplemental Appropriation Act of 1955.

² S. Doc. 30 adds \$700,000, to provide for increase of that amount in contingency fund for emergency outbreaks.

Comparative statement of appropriations for 1955, estimates for 1956, and amounts recommended in the bill for 1956—Con.

TITLE I—REGULAR ACTIVITIES—Continued

Agency and item	Appropriations, 1955	Estimates, 1956	Recommended in House bill for 1956	Amount recommended by Senate committee	Increase (+) or decrease (—), Senate bill compared with—	
					Appropriations, 1955	Estimates, 1956 House bill
Soil Conservation Service:						
Conservation operations.....	\$57,508,579	\$55,696,200	\$58,612,579	\$60,000,000	+\$2,431,421	+\$4,303,800
Watershed protection.....	7,210,000	11,000,000	12,000,000	12,000,000	+4,790,000	+1,000,000
Flood prevention.....	9,195,292	8,700,000	10,000,000	10,000,000	+804,708	+1,300,000
Water conservation and utilization projects.....	480,000				—480,000	
Total, Soil Conservation Service.....	74,453,871	75,396,200	80,612,579	82,000,000	+7,546,129	+6,603,800
Agricultural conservation program.....	191,700,000	250,000,000	214,500,000	214,500,000	+22,800,000	—35,500,000
Agricultural Marketing Service:						
Marketing research and service:						
Marketing research and agricultural estimates.....	10,223,000	10,981,000	10,981,000	11,096,000	—873,000	+115,000
Marketing services.....	11,575,500	11,415,000	11,810,000	12,010,000	+434,500	+595,000
Total, marketing research and service.....	21,798,500	22,396,000	22,791,000	23,106,000	+1,307,500	+710,000
Payments to States, Territories, and possessions.....	900,000	1,000,000	1,000,000	1,000,000	+100,000	
Repayment to Commodity Credit Corporation.....	441,655				—441,655	
School lunch program.....	83,236,197	68,000,000	83,236,197	83,236,197		+15,236,197
Total, Agricultural Marketing Service.....	106,376,352	91,396,000	107,027,197	107,342,197	+965,845	+15,946,197
Foreign Agricultural Service.....	2,515,000	3,365,000	3,365,000	3,365,000	—850,000	
Commodity Exchange Authority.....	693,000	698,000	698,000	698,000	+5,000	

Commodity Stabilization Service:						
Agricultural adjustment programs-----						
Sugar Act program-----						
Total, Commodity Stabilization Service-----	41,250,000	39,000,000	39,000,000	39,000,000	-2,250,000	-----
Federal crop insurance, salaries and expenses-----	59,600,000	61,600,000	59,600,000	59,600,000	-2,000,000	-----
Rural Electrification Administration, salaries and expenses-----	100,850,000	100,600,000	98,600,000	98,600,000	-2,250,000	-----
Farmers' Home Administration, salaries and expenses-----	6,000,000	6,000,000	6,000,000	6,000,000	-----	-----
Office of General Counsel-----	7,285,000	7,680,000	7,680,000	7,680,000	+395,000	-----
Office of Secretary-----	23,550,000	24,500,000	24,500,000	24,500,000	+950,000	-----
Office of Information-----	2,079,000	2,164,000	2,079,000	2,164,000	+85,000	+85,000
Library-----	2,116,000	2,172,600	2,116,000	2,172,600	+56,600	+56,600
Total, regular activities-----	1,216,000	1,238,000	1,238,000	1,238,000	+22,000	-----
Title II, corporate expenses, restoration of capital impairment-----	653,279,960	712,231,958	694,107,434	698,260,155	+44,980,195	+4,152,721
Title III, special activities-----	331,500	184,517,957	184,517,957	184,499,109	+1,634,659	-----
Total-----	653,611,460	898,334,574	880,250,050	884,393,923	+184,167,609	-18,848
					+230,782,463	+4,133,873

³ Budget language provided for reduction by amount of unused 1953 balances, not definite at time estimate prepared.

○

Calendar No. 20

84TH CONGRESS
1ST SESSION

H. R. 5239

[Report No. 216]

IN THE SENATE OF THE UNITED STATES

MARCH 30 (legislative day, MARCH 10), 1955

Read twice and referred to the Committee on Appropriations

APRIL 21 (legislative day, APRIL 18), 1955

Reported, under authority of the order of the Senate of April 21 (legislative day, April 18), 1955, by Mr. RUSSELL, with amendments

[Omit the part struck through and insert the part printed in italic]

AN ACT

Making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1956, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the Depart-
5 ment of Agriculture and Farm Credit Administration for
6 the fiscal year ending June 30, 1956, namely:

DEPARTMENT OF AGRICULTURE

TITLE I—REGULAR ACTIVITIES

AGRICULTURAL RESEARCH SERVICE

SALARIES AND EXPENSES

For expenses necessary to perform agricultural research relating to production and utilization, to control and eradicate pests and plant and animal diseases, and to perform related inspection, quarantine and regulatory work, and meat inspection: *Provided*, That not to exceed \$15,000 of the appropriations hereunder shall be available for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U. S. C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a) : *Provided further*, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase (for emergency replacement only) of not to exceed one: *Provided further*, That appropriations hereunder shall be available pursuant to 5 U. S. C. 565a for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any one building (except headhouses connecting greenhouses) shall not exceed \$7,500 and the cost of altering any one building during the fiscal year shall not exceed \$3,750 or two per centum of the cost of the building, whichever is greater: *Provided further*, That ap-

1 appropriations hereunder shall be available for uniforms, or
2 allowances therefor, as authorized by the Act of September 1,
3 1954 (68 Stat. 1114) :

4 Research: For research and demonstrations on the pro-
5 duction and utilization of agricultural products, and related
6 research and services, including administration of payments
7 to State Agricultural Experiment Stations; ~~\$37,000,000~~
8 ~~\$38,000,000~~; *Provided*, That not less than \$200,000 of this
9 appropriation shall be available to conduct a special study
10 of (1) the effect on farm income and the general economy
11 of the United States of acreage reductions imposed on 1954
12 and 1955 crops; and (2) the most satisfactory solution to
13 this problem, including the encouragement of sound soil con-
14 servation practices upon land diverted from production under
15 such acreage restrictions.

16 Plant and animal disease and pest control: For opera-
17 tions and measures to control and eradicate pests and
18 plant and animal diseases and for carrying out assigned
19 inspection, quarantine and regulatory activities, as authorized
20 by law; ~~\$17,750,000~~ \$18,758,700, of which ~~\$400,000~~ \$1,-
21 100,000 shall be apportioned for use pursuant to section 3679
22 of the Revised Statutes, as amended, for the control of out-
23 breaks of insects and plant diseases under the joint reso-
24 lution approved May 9, 1938 (7 U. S. C. 148-148e), and
25 the Act of August 13, 1954 (Public Law 586), to the extent

1 necessary to meet emergency conditions: *Provided further,*
2 That no part of this appropriation shall be used to pay the
3 cost or value of trees, farm animals, farm crops, or other
4 property injured or destroyed as a result of plant insect
5 and disease control activities except potatoes and tomatoes
6 as authorized under the Golden Nematode Act: *Provided*
7 *further,* That, in the discretion of the Secretary, no part of
8 this appropriation shall be expended for the control of sweet-
9 potato weevil in any State until such State has provided
10 cooperation necessary to accomplish this purpose, or for
11 barberry eradication until a sum or sums at least equal to
12 such expenditures shall have been made available by States,
13 counties, or local authorities, or by individuals or organiza-
14 tions for the accomplishment of this purpose, or with respect
15 to the golden nematode except as prescribed in section 4 of
16 the Golden Nematode Act.

17 Meat inspection: For carrying out the provisions of laws
18 relating to Federal inspection of meat and meat-food products
19 and the applicable provisions of the laws relating to process
20 or renovated butter; \$14,325,000.

21 PAYMENTS TO STATES, HAWAII, ALASKA, AND PUERTO RICO

22 For payments to the States, Hawaii, Alaska, and Puerto
23 Rico to be paid quarterly in advance where applicable, to
24 carry into effect the provisions of the following Acts relating
25 to agricultural experiment stations:

1 Hatch Act, the Act approved March 2, 1887 (7 U. S. C.
2 362, 363, 365, 368, 377-379), \$720,000; Adams Act, the
3 Act approved March 16, 1906 (7 U. S. C. 369), \$720,000;
4 Purnell Act, the Act approved February 24, 1925 (7
5 U. S. C. 361, 366, 370, 371, 373-376, 380, 382),
6 \$2,880,000; Bankhead-Jones Act, title I of the Act approved
7 June 29, 1935 (7 U. S. C. 427-427g), sections 3 and 5,
8 \$2,863,708, and sections 9 and 11 of said Act as added by
9 the Act of August 14, 1946 (7 U. S. C. 427h, 427j), includ-
10 ing administration by the Office of Experiment Stations in
11 the United States Department of Agriculture, \$16,800,-
12 000, no part of which latter amount shall be used
13 for beginning construction of any building costing in
14 excess of \$15,000; Hawaii, the Act approved May 16, 1928
15 (7 U. S. C. 386-386b), extending the benefits of certain
16 Acts of Congress to the Territory of Hawaii, \$90,000;
17 Alaska, the Act approved February 23, 1929 (7 U. S. C.
18 386c), extending the benefits of the Hatch Act to the Terri-
19 tory of Alaska, \$15,000, and the provisions of section 2 of the
20 Act approved June 20, 1936, as amended (7 U. S. C.
21 369a), extending the benefits of the Adams and Purnell Acts
22 to the Territory of Alaska, \$75,000; Puerto Rico, the Act
23 approved March 4, 1931, as amended (7 U. S. C. 386d-
24 386f), extending the benefits of certain Acts of Congress to
25 Puerto Rico, \$90,000; section 204 (b) of the Agricultural

1 Marketing Act, the Act approved August 14, 1946 (7
2 U. S. C. 1623), \$500,000; in all, payments to States,
3 Hawaii, Alaska, and Puerto Rico, \$24,753,708.

4 FOOT-AND-MOUTH AND OTHER CONTAGIOUS DISEASES OF
5 ANIMALS AND POULTRY

6 Eradication activities: For expenses necessary in the
7 arrest and eradication of foot-and-mouth disease, rinderpest,
8 contagious pleuro-pneumonia, or other contagious or infec-
9 tious diseases of animals, or European fowl pest and similar
10 diseases in poultry, including the payment of claims grow-
11 ing out of destruction of animals (including poultry) af-
12 fected by or exposed to, or of materials contaminated by or
13 exposed to, any such disease, when there has been compli-
14 ance with all lawful quarantine regulations, and for foot-and-
15 mouth disease and rinderpest programs undertaken pursuant
16 to the provisions of the Act of February 28, 1947, and the
17 Act of May 29, 1884, as amended (7 U. S. C. 391; 21
18 U. S. C. 111-122), including expenses in accordance with
19 section 2 of said Act of February 28, 1947, the Secretary
20 may transfer from other appropriations or funds available to
21 the bureaus, corporations, or agencies of the Department
22 such sums as he may deem necessary, but not to exceed
23 \$2,250,000 for eradication of vesicular exanthema of swine,
24 to be available only in an emergency which threatens
25 the livestock or poultry industry of the country, and any

1 unexpended balances of funds transferred under this head
 2 in the next preceding fiscal year shall be merged with
 3 such transferred amounts: *Provided*, That, except for pay-
 4 ments made pursuant to said Act of February 28, 1947, the
 5 payment for animals may be made on appraisement based on
 6 the meat, egg-production, dairy, or breeding value, but in
 7 case of appraisement based on breeding value no appraise-
 8 ment of any animal shall exceed three times its meat, egg-
 9 production, or dairy value and, except in case of an extraor-
 10 dinary emergency to be determined by the Secretary, the
 11 payment by the United States shall not exceed one-half of
 12 any such appraisements: *Provided further*, That this appro-
 13 priation shall be subject to applicable provisions contained
 14 in the item "Salaries and expenses, Agricultural Research
 15 Service".

16 Research: For expenses necessary for research author-
 17 ized by the Act of April 24, 1948 (21 U. S. C. 113a).
 18 \$1,900,000.

19 EXTENSION SERVICE

20 PAYMENTS TO STATES, HAWAII, ALASKA, AND PUERTO RICO

21 For payments for cooperative agricultural extension work
 22 under the Smith-Lever Act, as amended by the Act of June
 23 26, 1953 (Public Law 83), \$44,155,000; and payments
 24 and contracts for such work under section 204 (b)-205 of
 25 the Agricultural Marketing Act of 1946 (7 U. S. C. 1623-

1 1624), \$1,320,000; in all, \$45,475,000: *Provided*, That
 2 funds hereby appropriated pursuant to section 3 (c)
 3 of the Act of June 26, 1953 (Public Law 83) shall not
 4 be paid to any State, Hawaii, Alaska, or Puerto Rico prior
 5 to availability of an equal sum from non-Federal sources
 6 for expenditure during the current fiscal year.

7 FEDERAL EXTENSION SERVICE

8 Administration and coordination: For administration of
 9 the Smith-Lever Act, as amended by the Act of June 26,
 10 1953 (Public Law 83), and extension aspects of the Agri-
 11 cultural Marketing Act of 1946 (7 U. S. C. 1621-1627),
 12 and to coordinate and provide program leadership for the
 13 extension work of the Department and the several States,
 14 Territories, and insular possessions, \$1,920,000.

15 Penalty mail: For costs of penalty mail for cooperative
 16 extension agents, ~~\$1,500,000~~ \$1,800,000.

17 FARMER COOPERATIVE SERVICE

18 For necessary expenses to carry out the Act of July 2,
 19 1926 (7 U. S. C. 451-457), \$408,000.

20 SOIL CONSERVATION SERVICE

21 CONSERVATION OPERATIONS

22 For necessary expenses for carrying out the provisions
 23 of the Act of April 27, 1935 (16 U. S. C. 590a-590f),
 24 including preparation of conservation plans and establish-
 25 ment of measures to conserve soil and water (including farm

1 irrigation and land drainage and such special measures
2 as may be necessary to prevent floods and the siltation
3 of reservoirs); operation of conservation nurseries; classi-
4 fication and mapping of soils; dissemination of informa-
5 tion; purchase and erection or alteration of permanent
6 buildings; operation and maintenance of aircraft; and furnish-
7 ing of subsistence to employees; ~~\$58,612,579~~ \$60,000,000:
8 *Provided*, That the cost of any permanent building pur-
9 chased, erected, or as improved, exclusive of the cost of
10 constructing a water supply or sanitary system and connect-
11 ing the same to any such building and with the exception
12 of buildings acquired in conjunction with land being pur-
13 chased for other purposes, shall not exceed \$2,500, except
14 for eight buildings to be constructed or improved at a cost
15 not to exceed \$15,000 per building and except that altera-
16 tions or improvements to other existing permanent buildings
17 costing \$2,500 or more may be made in any fiscal year
18 in an amount not to exceed \$500 per building: *Provided*
19 *further*, That no part of this appropriation shall be avail-
20 able for the construction of any such building on land not
21 owned by the Government: *Provided further*, That in the
22 State of Missouri, where the State has established a central
23 State agency authorized to enter into agreements with the
24 United States or any of its agencies on policies and general

1 programs for the saving of its soil by the extension of Fed-
2 eral aid to any soil conservation district in such State, the
3 agreements made by or on behalf of the United States with
4 any such soil conservation district shall have the prior
5 approval of such central State agency before they shall
6 become effective as to such district: *Provided further*, That
7 no part of this appropriation may be expended for soil and
8 water conservation operations under the Act of April 27,
9 1935 (16 U. S. C. 590a-590f), in demonstration projects:
10 *Provided further*, That not to exceed \$5,000 may be used
11 for employment pursuant to the second sentence of section
12 706 (a) of the Organic Act of 1944 (5 U. S. C.
13 574), as amended by section 15 of the Act of August 2,
14 1946 (5 U. S. C. 55a): *Provided further*, That qualified
15 local engineers may be temporarily employed at per diem
16 rates to perform the technical planning work of the service.

17 WATERSHED PROTECTION

18 For expenses necessary to conduct surveys, investiga-
19 tions, and research and to carry out preventive measures,
20 including, but not limited to, engineering operations,
21 methods of cultivation, the growing of vegetation, and
22 changes in use of land, in accordance with the Watershed
23 Protection and Flood Prevention Act, approved August 4,
24 1954 (Public Law 566), and the provisions of the Act of
25 April 27, 1935 (16 U. S. C. 590a-590f), to remain

1 available until expended, \$12,000,000, with which shall be
2 merged the unexpended balances of funds heretofore appro-
3 priated or transferred to the Department for watershed pro-
4 tection purposes.

5 FLOOD PREVENTION

6 For expenses necessary, in accordance with the Flood
7 Control Act, approved June 22, 1936 (Public Law 738), as
8 amended and supplemented, and in accordance with the
9 provisions of laws relating to the activities of the Depart-
10 ment, to perform works of improvement, including not to
11 exceed \$100,000 for employment pursuant to the second
12 sentence of section 706 (a) of the Organic Act of
13 1944 (5 U. S. C., 574), as amended by section 15 of
14 the Act of August 2, 1946 (5 U. S. C. 55a), at rates
15 for individuals not to exceed \$100 per diem, to remain
16 available until expended, \$10,000,000, with which shall
17 be merged the unexpended balances of funds heretofore ap-
18 propriated or transferred to the Department for flood pre-
19 vention purposes: *Provided*, That no part of such funds shall
20 be used for the purchase of lands in the Yazoo and Little
21 Tallahatchie watersheds without specific approval of the
22 county board of supervisors of the county in which such lands
23 are situated: *Provided further*, That hereafter the funds
24 appropriated for flood prevention purposes may be expended
25 in watersheds heretofore authorized by section 13 of the

1 Flood Control Act of December 22, 1944, as amended, for
2 necessary measures for the prevention of erosion, floodwater,
3 and sediment damages, including gully control, floodwater
4 detention, and floodway structures, in areas other than those
5 over which the Department of the Army has jurisdiction
6 and responsibility.

7 AGRICULTURAL CONSERVATION PROGRAM SERVICE

8 For necessary expenses to carry into effect the provi-
9 sions of sections 7 to 17, inclusive, of the Soil Conservation
10 and Domestic Allotment Act, approved February 29, 1936,
11 as amended (16 U. S. C. 590g-590q), including not to
12 exceed \$6,000 for the preparation and display of exhibits,
13 including such displays at State, interstate, and international
14 fairs within the United States; \$214,500,000, to remain
15 available until December 31 of the next succeeding fiscal
16 year for compliance with the program of soil-building prac-
17 tices and soil- and water-conserving practices authorized
18 under this head in the Department of Agriculture and Farm
19 Credit Administration Appropriation Act 1955, carried
20 out during the period July 1, 1954, to December 31, 1955,
21 inclusive: *Provided*, That not to exceed ~~\$22,500,000~~ \$23,-
22 000,000 of the total sum provided under this head shall be
23 available during the current fiscal year for salaries and other
24 administrative expenses for carrying out such program, the cost
25 of aerial photographs, however, not to be charged to such limi-

1 tation; but not more than ~~\$4,020,000~~ \$4,520,000 shall be
2 transferred to the appropriation account, "Administrative ex-
3 penses, section 392, Agricultural Adjustment Act of 1938"
4 , and for the 1956 program an amount not to exceed 5 per
5 centum of the amount of funds available for payments under
6 the 1956 program for the State shall be available for trans-
7 fer to any Federal, State, or local public agency for services
8 of technicians in formulating and carrying out the agricul-
9 tural conservation program, but such use of these funds may
10 be made only on the recommendation of the county committee
11 and approval by the State committee: Provided further,
12 That payments to claimants hereunder may be made
13 upon the certificate of the claimant, which certificate
14 shall be in such form as the Secretary may prescribe,
15 that he has carried out the conservation practice or prac-
16 tices and has complied with all other requirements as
17 conditions for such payments and that the statements and
18 information contained in the application for payment are
19 correct and true, to the best of his knowledge and belief,
20 under the penalties of title 18, United States Code: Pro-
21 vided further, That none of the funds herein appropriated
22 or made available for the functions assigned to the Agri-
23 cultural Adjustment Agency pursuant to the Executive
24 Order Numbered 9069, of February 23, 1942, shall be
25 used to pay the salaries or expenses of any regional in-

1 formation employees or any State information employees,
2 but this shall not preclude the answering of inquiries or
3 supplying of information at the county level to individ-
4 ual farmers: *Provided further*, That such amount shall
5 be available for salaries and other administrative expenses
6 in connection with the formulation and administration of
7 the 1956 program of soil-building practices and soil- and
8 water-conserving practices, under the Act of February 29,
9 1936, as amended (amounting to \$250,000,000, including
10 administration, and formulated on the basis of a distribution
11 of the funds available for payments and grants among the
12 several States in accordance with their conservation needs
13 as determined by the Secretary, except that the proportion
14 allocated to any State shall not be reduced more than 15
15 per centum from the distribution for the next preceding
16 program year, and no participant shall receive more than
17 \$1,500, except where the participants from two or more
18 farms or ranches join to carry out approved practices de-
19 signed to conserve or improve the agricultural resources of the
20 community) ; but the payments or grants under such pro-
21 grams shall be conditioned upon the utilization of land with
22 respect to which such payments or grants are to be made in
23 conformity with farming practices which will encourage and
24 provide for soil-building and soil- and water-conserving prac-
25 tices in the most practical and effective manner and adapted

1 to conditions in the several States, as determined and
2 approved by the State committees appointed pursuant to
3 section 8 (b) of the Soil Conservation and Domestic Al-
4 lotment Act, as amended (16 U. S. C. 590h (b)), for
5 the respective States: *Provided further*, That not to
6 exceed 5 per centum of the allocation for the 1956 agri-
7 cultural conservation program for any county may, on
8 the recommendation of such county committee and ap-
9 proval of the State committee, be withheld and allotted
10 to the Soil Conservation Service for services of its tech-
11 nicians in formulating and carrying out the agricultural
12 conservation program in the participating counties, and
13 the funds so allotted may be placed in a single account
14 for each State, and shall not be utilized by the Soil Con-
15 servation Service for any purpose other than technical
16 and other assistance in such counties: *Provided further*,
17 That for the 1956 program \$2,500,000 shall be avail-
18 able for technical assistance in formulating and carrying
19 out agricultural conservation practices and \$1,000,000
20 shall be available for conservation practices related
21 directly to flood-prevention work in approved water-
22 sheds: *Provided further*, That in carrying out the
23 1956 program the Secretary shall give particular consid-
24 eration to the conservation problems on farmlands di-
25 verted from crops under acreage-allotment programs:

1 *Provided further*, That such amounts shall be available
2 for the purchase of seeds, fertilizers, lime, trees, or any
3 other farming material, or any soil-terracing services, and
4 making grants thereof to agricultural producers to aid
5 them in carrying out farming practices approved by the
6 Secretary under programs provided for herein: *Provided*
7 *further*, That no part of any funds available to the De-
8 partment, or any bureau, office, corporation, or other
9 agency constituting a part of such Department, shall be
10 used in the current fiscal year for the payment of sal-
11 ary or travel expenses of any person who has been con-
12 victed of violating the Act entitled "An Act to prevent
13 pernicious political activities", approved August 2, 1939, as
14 amended, or who has been found in accordance with the
15 provisions of title 18, United States Code, section 1913, to
16 have violated or attempted to violate such section which
17 prohibits the use of Federal appropriations for the payment
18 of personal services or other expenses designed to influ-
19 ence in any manner a Member of Congress to favor or op-
20 pose any legislation or appropriation by Congress except
21 upon request of any Member or through the proper official
22 channels.

1 AGRICULTURAL MARKETING SERVICE

2 MARKETING RESEARCH AND SERVICE

3 For expenses necessary to carry on research and service
4 to improve and develop marketing and distribution relating
5 to agriculture as authorized by the Agricultural Marketing
6 Act of 1946 (7 U. S. C. 1621-1627) and other laws, in-
7 cluding the administration of marketing regulatory acts
8 connected therewith: *Provided*, That appropriations here-
9 under shall be available pursuant to U. S. C. 565a for the
10 construction, alteration, and repair of buildings and improve-
11 ments, but unless otherwise provided, the cost of erecting
12 any one building shall not exceed \$7,500 and the cost of
13 altering any one building during the fiscal year shall not
14 exceed \$3,750 or 2 per centum of the cost of the building,
15 whichever is greater:

16 Marketing research and agricultural estimates: For
17 research and development relating to agricultural marketing
18 and distribution, for analyses relating to farm prices, income
19 and population, and demand for farm products, and for crop
20 and livestock estimates; ~~\$10,981,000~~ ~~\$11,096,000~~ ~~—~~ *Pro-*
21 *vided*, That not less than \$1,000,000 of the funds contained
22 in this appropriation shall be available to gather statistics

1 and conduct a special study on the price spread between the
 2 farmer and the consumer: *Provided further*, That no part of
 3 the funds herein appropriated shall be available for any
 4 expense incident to ascertain, collating, or publishing a
 5 report stating the intention of farmers as to the acreage to be
 6 planted in cotton, or for estimates of apple production for
 7 other than the commercial crop.

8 Marketing services: For services relating to agricul-
 9 tural marketing and distribution, for carrying out regulatory
 10 acts connected therewith, and for administration and coordi-
 11 nation of payments to States; ~~\$11,810,000~~ \$12,010,000, in-
 12 cluding not to exceed \$25,000 for employment at rates
 13 not to exceed \$100 per diem, pursuant to the second
 14 sentence of section 706 (a) of the Organic Act of
 15 1944 (5 U. S. C. 574), as amended by section 15 of the
 16 Act of August 2, 1946 (5 U. S. C. 55a), in carrying out
 17 section 201 (a) to 201 (d), inclusive, of title II of the
 18 Agricultural Adjustment Act of 1938 (7 U. S. C. 1291),
 19 and section 203 (j) of the Agricultural Marketing Act of
 20 1946.

21 PAYMENTS TO STATES, TERRITORIES, AND POSSESSIONS

22 For payments to departments of agriculture, bureaus
 23 and departments of markets and similar agencies for market-

1 ing activities under section 204 (b) of the Agricultural
2 Marketing Act of 1946 (7 U. S. C. 1623 (b)), \$1,000,000.

3 SCHOOL LUNCH PROGRAM

4 For necessary expenses to carry out the provisions of the
5 National School Lunch Act (42 U. S. C. 1751-1760),
6 \$83,236,197: *Provided*, That no part of this appropriation
7 shall be used for nonfood assistance under section 5 of said
8 Act.

9 FOREIGN AGRICULTURAL SERVICE

10 For necessary expenses for the Foreign Agricultural
11 Service, including carrying out title VI of the Agricultural
12 Act of 1954 (Public Law 690, approved August 28,
13 1954), and for enabling the Secretary to coordinate and
14 integrate activities of the Department in connection with
15 foreign agricultural work, including not to exceed \$20,000
16 for representation allowances, \$3,365,000: *Provided*, That
17 not less than \$500,000 of the funds contained in this appro-
18 priation shall be available to obtain statistics and related
19 facts on foreign production and full and complete informa-
20 tion on methods used by other countries to move farm com-
21 modities in world trade on a competitive basis.

COMMODITY EXCHANGE AUTHORITY

For necessary expenses to carry into effect the provisions of the Commodity Exchange Act, as amended (7 U. S. C. 1-17a), \$698,000.

COMMODITY STABILIZATION SERVICE

AGRICULTURAL ADJUSTMENT PROGRAMS

For necessary expenses to formulate and carry out acreage allotment and marketing quota programs pursuant to provisions of title III of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1301-1393), \$39,000,000, of which not more than ~~\$5,500,000~~ \$6,165,000 shall be transferred to the appropriation account "Administrative expenses, section 392, Agricultural Adjustment Act of 1938".

SUGAR ACT PROGRAM

For necessary expenses to carry into effect the provisions of the Sugar Act of 1948 (7 U. S. C. 1101-1160), \$59,600,000, to remain available until June 30 of the next succeeding fiscal year: *Provided*, That expenditures (including transfers) from this appropriation for other than payments to sugar producers shall not exceed ~~\$1,440,000~~ \$1,617,000.

FEDERAL CROP INSURANCE CORPORATION

For operating and administrative expenses, \$6,000,000.

RURAL ELECTRIFICATION ADMINISTRATION

To carry into effect the provisions of the Rural Electrification Act of 1936, as amended (7 U. S. C. 901-924), as follows:

LOAN AUTHORIZATIONS

For loans in accordance with said Act, and for carrying out the provisions of section 7 thereof, to be borrowed from the Secretary of the Treasury in accordance with the provisions of section 3 (a) of said Act as follows: Rural electrification program, \$160,000,000; and rural telephone program, \$75,000,000; and additional amounts, not to exceed \$100,000,000 for the rural electrification program, may be borrowed under the same terms and conditions to the extent that such additional amounts are required during the fiscal year 1956, under the then existing conditions, for the expeditious and orderly development of the program.

SALARIES AND EXPENSES

For administrative expenses, including not to exceed \$500 for financial and credit reports, and not to exceed \$150,000 for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U. S. C.

1 574), as amended by section 15 of the Act of August 2,
 2 1946 (5 U. S. C. 55a), \$7,680,000.

3 FARMERS' HOME ADMINISTRATION

4 To carry into effect the provisions of titles I, II, and
 5 the related provisions of title IV of the Bankhead-Jones
 6 Farm Tenant Act, as amended (7 U. S. C. 1000-1031);
 7 the Farmers' Home Administration Act of 1946 (7 U. S. C.
 8 1001, note; 31 U. S. C. 82h; 12 U. S. C. 371; 35 D. C.
 9 Code 535; 60 Stat. 1062-1080); the Act of July 30, 1946
 10 (40 U. S. C. 436-439); the Act of August 28, 1937, as
 11 amended ~~(16 U. S. C. 590r-590x, 590z-5)~~ (16 U. S. C.
 12 590r-590x-3), for the development of facilities for water
 13 storage and utilization in the arid and semiarid areas of the
 14 United States; the provisions of title V of the Housing Act
 15 of 1949 (42 U. S. C. 1471-1483), as amended by the
 16 Housing Act of 1952 (Public Law 531, approved July 14,
 17 1952), relating to financial assistance for farm housing; the
 18 Rural Rehabilitation Corporation Trust Liquidation Act,
 19 approved May 3, 1950 (40 U. S. C. 440-444); the items
 20 "Loans to farmers, 1948 flood damage" in the Act of June
 21 25, 1948 (62 Stat. 1038), and "Loans to farmers, property
 22 damage" in the Act of May 24, 1949 (63 Stat. 82); the
 23 collecting and servicing of credit sales and development
 24 accounts in water conservation and utilization projects (53
 25 Stat. 685, 719), as amended and supplemented (16 U. S. C.

1 590y, z1 and z10) ; and the Act to direct the Secretary of
2 Agriculture to convey certain mineral interests, approved
3 September 6, 1950 (7 U. S. C. 1033-1039), as follows:

4 LOAN AUTHORIZATIONS

5 For loans (including payments in lieu of taxes and
6 taxes under section 50 of the Bankhead-Jones Farm Tenant
7 Act, as amended, and advances incident to the acquisition
8 and preservation of security of obligations under the fore-
9 going several authorities) : Title I and section 43 of title
10 IV of the Bankhead-Jones Farm Tenant Act, as amended,
11 \$19,000,000, of which not to exceed \$5,000,000 may be
12 distributed to States and Territories without regard to farm
13 population and prevalence of tenancy, in addition to the
14 amount otherwise distributed thereto, for loans in reclamation
15 projects and to entrymen on unpatented public land; title II
16 of the Bankhead-Jones Farm Tenant Act, as amended,
17 \$122,500,000; the Act of August 28, 1937, as amended,
18 \$11,500,000: *Provided*, That not to exceed the foregoing
19 several amounts shall be borrowed in one account from the
20 Secretary of the Treasury in accordance with the provisions
21 set forth under this head in the Department of Agriculture
22 Appropriation Act, 1952.

23 SALARIES AND EXPENSES

24 For making, servicing, and collecting loans and insured
25 mortgages, the servicing and collecting of loans made under

1 prior authority, the liquidation of assets transferred to
 2 Farmers' Home Administration, and other administrative
 3 expenses, \$24,500,000, together with a transfer of not to ex-
 4 ceed ~~\$400,000~~ \$500,000 of the fees and administrative ex-
 5 pense charges made available by subsections (d) and (e)
 6 of section 12 of the Bankhead-Jones Farm Tenant Act,
 7 as amended (*7 U. S. C. 1005 (b)*), and section 10 (c)
 8 of the Act of August 28, 1937, as amended.

9 OFFICE OF THE GENERAL COUNSEL

10 For necessary expenses, including payment of fees or
 11 dues for the use of law libraries by attorneys in the field
 12 service, ~~\$2,079,000~~ \$2,164,000, together with such amounts
 13 from other appropriations or authorizations as are provided
 14 in the schedules in the budget for the current fiscal year for
 15 such expenses, which several amounts not exceeding a total
 16 of ~~\$300,000~~ \$375,000 shall be transferred to and made a
 17 part of this appropriation.

18 OFFICE OF THE SECRETARY

19 For expenses of the Office of the Secretary of Agricul-
 20 ture, including the purchase of one passenger motor vehicle
 21 for replacement only; expenses of the National Agricultural
 22 Advisory Commission; stationery, supplies, materials, and
 23 equipment; freight, express, and drayage charges; adver-
 24 tising of bids, communication service, postage, washing
 25 towels, repairs and alterations, and other miscellaneous sup-

plies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture; ~~\$2,116,000~~ \$2,172,600, together with such amounts from other appropriations or authorizations as are provided in the schedules in the budget for the current fiscal year for such services and expenses, which several amounts or portions thereof, as may be determined by the Secretary, not exceeding a total of \$84,280, shall be transferred to and made a part of this appropriation.

OFFICE OF INFORMATION

For necessary expenses of the Office of Information for the dissemination of agricultural information and the coordination of informational work and programs authorized by Congress in the Department, \$1,238,000, together with such amounts from other appropriations or authorizations as are provided in the schedules in the budget for the current fiscal year for such expenses, which several amounts not exceeding a total of \$16,014 shall be transferred to and made a part of this appropriation, of which total appropriation not to exceed \$537,000 may be used for farmers' bulletins, which shall be adapted to the interests of the people of the different sections of the country, an equal proportion of four-fifths of which shall be delivered to or sent out under the addressed franks furnished by the Senators, Representatives, and Delegates in Congress, as they shall

1 direct (7 U. S. C. 417) and not less than two hundred thirty
2 thousand eight hundred and fifty copies for the use of the
3 Senate and House of Representatives of part 2 of the annual
4 report of the Secretary (known as the Yearbook of Agriculture)
5 as authorized by section 73 of the Act of January 12,
6 1895 (44 U. S. C. 241) : *Provided*, That in the preparation
7 of motion pictures or exhibits by the Department, not exceeding
8 a total of \$10,000 may be used for employment
9 pursuant to the second sentence of section 706 (a) of the
10 Organic Act of 1944 (5 U. S. C. 574), as amended by
11 section 15 of the Act of August 2, 1946 (5 U. S. C. 55a) :
12 *Provided further*, That no part of this appropriation shall be
13 used for the establishment or maintenance of regional or State
14 field offices, or for the compensation of employees in such
15 offices.

16 LIBRARY

17 For necessary expenses, including dues for library membership
18 in societies or associations which issue publications
19 to members only or at a price to members lower than to subscribers
20 who are not members, \$659,950.

21 TITLE II—CORPORATIONS

22 The following corporations and agencies are hereby
23 authorized to make such expenditures, within the limits of
24 funds and borrowing authority available to each such corporation
25 or agency and in accord with law, and to make such

1 contracts and commitments without regard to fiscal year
 2 limitations as provided by section 104 of the Government
 3 Corporation Control Act, as amended, as may be necessary
 4 in carrying out the programs set forth in the budget for the
 5 fiscal year 1956 for such corporation or agency, except as
 6 hereinafter provided:

7 Federal Crop Insurance Corporation: *Provided*, That the
 8 direct costs of loss adjusters for crop inspections and loss
 9 adjustments may be considered as nonadministrative or non-
 10 operating expenses: *Provided further*, That not to exceed
 11 \$1,500,000 of administrative and operating expenses may be
 12 paid from premium income.

13 COMMODITY CREDIT CORPORATION

14 RESTORATION OF CAPITAL IMPAIRMENT

15 To restore the capital impairment of the Commodity
 16 Credit Corporation determined by the appraisal of June
 17 30, 1954, pursuant to section 1 of the Act of March 8, 1938,
 18 as amended (15 U. S. C. 713a-1), \$1,634,659.

19 LIMITATION ON ADMINISTRATIVE EXPENSES

20 Nothing in this Act shall be so construed as to prevent
 21 the Commodity Credit Corporation from carrying out any
 22 activity or any program authorized by law: *Provided*, That
 23 not to exceed \$26,000,000 shall be available for admin-
 24 istrative expenses of the Corporation: ~~*Provided further*,~~
 25 ~~That \$2,000,000 of this authorization shall be available only~~

1 to expand and strengthen the sales program of the Corpora-
2 tion pursuant to authority contained in the Corporation's
3 charter: *Provided further, That \$934,914 of this authoriza-*
4 *tion shall be placed in reserve to be apportioned pursuant*
5 *to section 3679 of the Revised Statutes, as amended, for use*
6 *only in such amounts and at such time as may become nec-*
7 *essary to carry out program operations: Provided further,*
8 That all necessary expenses (including legal and special
9 services performed on a contract or fee basis, but not in-
10 cluding other personal services) in connection with the
11 acquisition, operation, maintenance, improvement, or dis-
12 position of any real or personal property belonging to the
13 Corporation or in which it has an interest, including ex-
14 penses of collections of pledged collateral, shall be considered
15 as nonadministrative expenses for the purposes hereof.

16 TITLE III—SPECIAL ACTIVITIES

17 RESEARCH ON STRATEGIC AND CRITICAL AGRICULTURAL 18 MATERIALS

19 For expenses necessary to carry out section 7 (b) of
20 the Strategic and Critical Materials Stock Piling Act of
21 July 23, 1946 (50 U. S. C. 98f), \$300,000: *Provided,*
22 That this appropriation shall be subject to applicable pro-
23 visions contained in the item "Salaries and expenses, Agri-
24 cultural Research Service".

REPAYMENT TO COMMODITY CREDIT CORPORATION FOR
ERADICATION OF FOOT-AND-MOUTH AND OTHER CON-
TAGIOUS DISEASES OF ANIMALS AND POULTRY

For reimbursement to Commodity Credit Corporation for sums transferred to the appropriation "Eradication of foot-and-mouth and other contagious diseases of animals and poultry", fiscal year 1954 (including interest thereon through June 30, 1955), pursuant to authority contained under such head in the Department of Agriculture Appropriation Act, 1954, \$5,788,897.

INTERNATIONAL WHEAT AGREEMENT

To discharge indebtedness of the Commodity Credit Corporation to the Secretary of the Treasury for the net costs during the fiscal year 1954 (including interest thereon through June 30, 1955) under the International Wheat Agreement Act of 1949, as amended (7 U. S. C. 1641-1642), \$57,378,551.

REIMBURSEMENT TO COMMODITY CREDIT CORPORATION
FOR TRANSFER OF WHEAT TO PAKISTAN

To reimburse the Commodity Credit Corporation for its investment (including costs of handling, delivery, and interest through June 30, 1955) in wheat transferred to the Government of Pakistan under the Act of June 25, 1953 (67 Stat. 80), ~~\$69,273,881~~ \$69,385,831.

1 REIMBURSEMENT TO COMMODITY CREDIT CORPORATION

2 FOR EMERGENCY FEED ASSISTANCE

3 To reimburse the Commodity Credit Corporation for
4 losses representing the difference between the value of feed
5 furnished farmers and stockmen in disaster areas and sales
6 price received by the Corporation, \$42,100,000.

7 REIMBURSEMENT TO COMMODITY CREDIT CORPORATION

8 FOR EMERGENCY FAMINE RELIEF TO FRIENDLY

9 PEOPLES

10 To reimburse the Commodity Credit Corporation for
11 its investment (including costs of handling, delivery, and
12 interest through June 30, 1955) in commodities disposed
13 of under the Act of August 7, 1953 (67 Stat. 476),
14 ~~\$9,676,628~~ \$9,545,830.

15 TITLE IV—FARM CREDIT ADMINISTRATION

16 Not to exceed \$2,320,000 (from assessments collected
17 from farm credit agencies) shall be obligated during the
18 current fiscal year for administrative expenses, including
19 \$3,500 for the purchase and installation of air-conditioning
20 equipment (40 U. S. C. 317).

21 Federal Farm Mortgage Corporation: Not to exceed
22 \$550,000 (to be computed on an accrual basis) of the
23 funds of the Corporation shall be available for admin-
24 istrative expenses, including employment on a contract or fee
25 basis of persons, firms, and corporations for the perform-

1 ance of special services, including legal services, and the use
2 of the services and facilities of Federal land banks,
3 national farm loan associations, Federal Reserve banks,
4 and agencies of the Government as authorized by the
5 Act of January 31, 1934 (12 U. S. C. 1020-1020h) ;
6 and said total sum shall be exclusive of services and facilities
7 furnished and examinations made by the Farm Credit Ad-
8 ministration, interest expense, and expenses in connection
9 with the acquisition, operation, maintenance, improve-
10 ment, protection, or disposition of real or personal prop-
11 erty belonging to the Corporation or in which it has an
12 interest: *Provided*, That promptly after June 30 of each
13 fiscal year all cash funds in excess of the estimated operating
14 requirements for the current fiscal year shall be declared
15 as dividends and paid into the general fund of the Treasury:
16 *Provided further*, That the aggregate amount of bonds the
17 Corporation may issue and have outstanding at any one time
18 shall not exceed \$500,000,000.

19 Federal intermediate credit banks: Not to exceed
20 \$1,825,000 (to be computed on an accrual basis) of the
21 funds of the banks shall be available for administrative
22 expenses and services performed for the banks by other
23 Government agencies (except services and facilities furnished
24 and examinations made by the Farm Credit Administra-
25 tion, and services performed by any Federal Reserve

1 bank and by the United States Treasury in connection with
2 the financial transactions of the banks) ; and said total sum
3 shall be exclusive of interest expense, legal and special serv-
4 ices performed on a contract or fee basis, and expenses in
5 connection with the acquisition, operation, maintenance, im-
6 provement, protection, or disposition of real or personal
7 property belonging to the banks or in which they have an
8 interest.

9 Production credit corporations: Not to exceed \$1,595,-
10 000 (to be computed on an accrual basis) of the funds of
11 the corporations shall be available for administrative ex-
12 penses, including the purchase of not to exceed six passenger
13 motor vehicles for replacement only, and services performed
14 for the corporations by other Government agencies (except
15 services and facilities furnished and examinations made
16 by the Farm Credit Administration) ; and said total sum
17 shall be exclusive of interest expense, legal and special
18 services performed on a contract or fee basis, and expenses
19 in connection with the acquisition, operation, maintenance,
20 improvement, protection, or disposition of real or personal
21 property belonging to the corporations or in which they
22 have an interest.

23 TITLE V—GENERAL PROVISIONS

24 SEC. 501. Within the unit limit of cost fixed by law, the
25 lump-sum appropriations and authorizations made for the

1 Department under this Act shall be available for the purchase, in addition to those specifically provided for, of not
2 to exceed 535 passenger motor vehicles for replacement only, and for the hire of such vehicles, necessary in the
3 conduct of the work of the Department outside the District
4 of Columbia.

7 SEC. 502. Provisions of law prohibiting or restricting
8 the employment of aliens shall not apply to (1) the temporary employment of translators when competent citizen
9 translators are not available; (2) employment in cases of
10 emergency of persons in the field service of the Department
11 for periods of not more than sixty days; and (3) employment under the appropriation for the Foreign Agricultural
12 Service.

15 SEC. 503. Of appropriations herein made which are
16 available for the purchase of lands, not to exceed \$1 may be
17 expended for each option to purchase any particular tract or
18 tracts of land.

19 SEC. 504. No part of the funds appropriated by this Act
20 shall be used for the payment of any officer or employee of
21 the Department who, as such officer or employee, or on
22 behalf of the Department or any division, commission, or
23 bureau thereof, issues, or causes to be issued, any prediction,
24 oral or written, or forecast, except as to damage threatened

1 or caused by insects and pests, with respect to future prices
2 of cotton *or apples* or the trend of same.

3 SEC. 505. Except to provide materials required in or
4 incident to research or experimental work where no suitable
5 domestic product is available, no part of the funds appro-
6 priated by this Act shall be expended in the purchase of
7 twine manufactured from commodities or materials produced
8 outside of the United States.

9 SEC. 506. Not less than \$1,500,000 of the appro-
10 priations of the Department for research and service
11 work authorized by the Act of August 14, 1946 (7
12 U. S. C. 427, 1621-1629), and the Act of July 28,
13 1954 (Public Law 545), shall be available for contract-
14 ing in accordance with said Acts.

15 SEC. 507. No part of any appropriation contained in
16 this Act, or of the funds available for expenditure by any
17 corporation included in this Act, shall be used to pay the
18 salary or wages of any person who engages in a strike
19 against the Government of the United States or who is a
20 member of an organization of Government employees that
21 asserts the right to strike against the Government of the
22 United States, or who advocates, or is a member of an or-
23 ganization that advocates, the overthrow of the Govern-
24 ment of the United States by force or violence: *Provided,*
25 That for the purposes hereof an affidavit shall be considered

1 prima facie evidence that the person making the affidavit
2 has not contrary to the provisions of this section engaged in
3 a strike against the Government of the United States, is
4 not a member of an organization of Government employees
5 that asserts the right to strike against the Government of
6 the United States, or that such person does not advocate,
7 and is not a member of an organization that advocates, the
8 overthrow of the Government of the United States by force
9 or violence: *Provided further*, That any person who engages
10 in a strike against the Government of the United States or
11 who is a member of an organization of Government em-
12 ployees that asserts the right to strike against the Govern-
13 ment of the United States, or who advocates, or who is a
14 member of an organization that advocates, the overthrow
15 of the Government of the United States by force or violence
16 and accepts employment the salary or wages for which are
17 paid from any appropriation or fund contained in this Act
18 shall be guilty of a felony and, upon conviction, shall be
19 fined not more than \$1,000 or imprisoned for not more than
20 one year, or both: *Provided further*, That the above penalty
21 clause shall be in addition to, and not in substitution for, any
22 other provisions of existing law: *Provided further*, That
23 nothing in this section shall be construed to require an affi-
24 davit from any person employed for less than sixty days for
25 sudden emergency work involving the loss of human life or

1 destruction of property, the payment of salary or wages may
2 be made to such persons from applicable appropriations for
3 services rendered in such emergency without execution of
4 the affidavit contemplated by this section.

5 SEC. 508. No part of any appropriation contained in
6 this Act or of the funds available for expenditure by any
7 corporation or agency included in this Act shall be used
8 for publicity or propaganda purposes to support or defeat
9 legislation pending before the Congress.

10 SEC. 509. Appropriations of the Department available
11 for research and service work authorized by the Act of
12 August 14, 1946 (7 U. S. C. 427; 7 U. S. C. 1621-1629)
13 shall be available for expenses of any advisory committee
14 established as provided in title III of said Act to assist in
15 effectuating the research and service work of the Department.

16 This Act may be cited as the "Department of Agri-
17 culture and Farm Credit Administration Appropriation Act,
18 1956".

Passed the House of Representatives March 28, 1955.

Attest:

RALPH R. ROBERTS,

Clerk.

84TH CONGRESS
1ST SESSION

H. R. 5239

[Report No. 216]

AN ACT

Making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1956, and for other purposes.

MARCH 30 (legislative day, MARCH 10), 1955

Read twice and referred to the Committee on Appropriations

APRIL 21 (legislative day, APRIL 18), 1955

Reported with amendments

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued April 26, 1955
For actions of April 25, 1955
84th-1st, No. 67

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HIGHLIGHTS; Senate passed bills to: Provide for reapportionment of surrendered rice allotments, divide joint rice allotments on basis of acreage, increase rice allotments, authorize additional acreage allotments for freeze areas, etc., continue livestock-loans authority, authorize sale of small forest tracts. Senate made USDA appropriation bill its unfinished business. Senate committee reported measure for USDA study of tobacco quotas. Both Houses received Hoover Commission report on food and clothing. Several Representatives criticized increased interest rate on disaster loans and decline in farm prices. Sen. Humphrey urged conservation acreage reserve. Sen. Humphrey urged land-reform support and referred to Ladejinsky.

SENATE

1. ACREAGE ALLOTMENTS. Passed as reported S. 1628, to authorize the Department, until June 1, 1958, to make available additional acreage allotments to farmers whose crops are destroyed or severely damaged by freeze, drought, or other natural cause (pp. 4240, 4242-3).
2. LIVESTOCK LOANS. Passed without amendment S. 1372, to extend for two additional years the authority of the Department to provide emergency assistance to farmers and stockmen under the act of April 6, 1949 (pp. 4240-2).
3. FORESTRY. Passed with amendment S. 1079, which, as amended, provides "That the Secretary of Agriculture is authorized to sell at not less than the appraised value, and under such terms and conditions as he deems appropriate, lands in the national forests which are isolated parcels or narrow projecting strips, when he finds such lands suitable for private ownership and better adapted to commercial, agricultural, residential, or other private purposes than to national forest purposes" (pp. 4240, 4244-5).

4. RICE ALLOTMENTS. Passed without amendment H. R. 2839, providing for reapportionment of rice acreage allotments voluntarily surrendered to county committees (p. 4241). This bill will now be sent to the President.
Passed without amendment H. R. 4356, to provide that joint acreage allotments of rice be divided on the basis of acreage planted by each participant instead of on the basis of each participant's share of the crop (p. 4241). This bill will now be sent to the President.
Passed as reported H. R. 4647, which would increase each 1955 State rice acreage allotment by 2%, provide each State with a 1955 rice allotment at least equal to its 1950 allotment, provide each county whose base acreage for 1955 exceeded by at least 2% its base acreage for 1950 with a 1955 rice allotment at least equal to its 1950 allotment, and increase each State reserve for new producers and new farms to a minimum of 500 acres (pp. 4241, 4243-4). As passed by the House, the bill would have increased rice allotments by 5%.
5. LAND TRANSFERS. Passed without amendment S. 998, directing the Department to sell a tract of ARS land to Woodward, Okla., for 50% of its value (p. 4241).
The Agriculture and Forestry Committee reported without amendment H. J. Res. 107, to permit Federal release of reversionary rights to certain former FHA land to the Vineland School District, Kern County, Calif. (S. Rept. 223) (p. 4215).
6. TOBACCO. The Agriculture and Forestry Committee reported without amendment S. J. Res. 60, directing the Secretary of Agriculture, not later than July 1, 1955, to submit to Congress a report on the feasibility, cost, etc., of various types of burley tobacco controls (S. Rept. 224) (p. 4215).
7. PERSONNEL. The Post Office and Civil Service Committee reported without amendment S. 1094, to remove the limitation on the amount of appropriations which may be used by Federal agencies for uniform allowances (S. Rept. 222) (p. 4215).
Agreed to, as reported, S. Res. 33, to direct the Committee to investigate administration of the civil-service system by the Civil Service Commission and other Government agencies (p. 4232).
8. AGRICULTURAL APPROPRIATION BILL FOR 1956, H. R. 5239, was made the unfinished business (p. 4239). Sen. Williams submitted an amendment which he intends to propose to this bill (p. 4225).
9. REORGANIZATION; MANAGEMENT. The Government Operations Committee reported without amendment S. 1763, to continue the Hoover Commission from May 31 through June 30, 1955, for liquidation purposes (S. Rept. 217) (p. 4215).
Received the annual report of the Government Operations Committee on its investigations (S. Rept. 231) (p. 4216).
Both Houses received the Hoover Commission report on "food and clothing in the Government" (H. Doc. 146); to Government Operations Committees (pp. 4204, 4207). This report will not be available from the Legislative Reporting Staff except for an emergency need. Pursuant to a special arrangement, each agency of the Department is ordering its own supply of the report directly from GPO.
10. SOIL CONSERVATION; ACREAGE ALLOTMENTS. Discussed and, at the request of Sen. Bible, passed over H. R. 1573, to repeal the provision prohibiting ACP payments to persons who do not adhere to acreage allotments on basic crops. Sen. Johnson indicated that this bill will soon be brought up for separate consideration, and Sen. Holland said he had no objection to such procedure but did not believe the bill should be considered on the calendar. (pp. 4241, 4244.)

visions of sections 242 and 243 of the Immigration and Nationality Act. In the event that the marriage between the above-named persons shall occur within three months after the entry of the said Johanna Schmid, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Johanna Schmid as of the date of the payment by her of the required visa fee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HELEN ZAFRED URBANIC

The Senate proceeded to consider the bill (S. 407) for the relief of Helen Zafred Urbanic, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert "That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Helen Zafred Urbanic, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Frank Urbanic, citizens of the United States."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PRISKA ANNE KARY

The Senate proceeded to consider the bill (S. 504) for the relief of Priska Anne Kary, which had been reported from the Committee on the Judiciary with an amendment, in line 7, after the word "Act", to insert a colon and "Provided, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this Act.", so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provisions of section 212 (a) (9) of the Immigration and Nationality Act, Priska Anne Kary may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such act: *Provided, That* this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MARION S. QUIRK

The Senate proceeded to consider the bill (S. 758) for the relief of Marion S. Quirk, which had been reported from the Committee on the Judiciary with an amendment on page 1, in line 11, after the word "available", to insert a colon, and "Provided, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.", so as to make the bill read:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Marion S. Quirk shall be held and consid-

ered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available: *Provided, That* a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ZEV COHEN (ZEV MACHTANI)

The Senate proceeded to consider the bill (S. 844) for the relief of Zev Cohen (Zev Machtani), which had been reported from the Committee on the Judiciary with an amendment in line 7, after the word "fee", to strike out "Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.", so as to make the bill read:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Zev Cohen (Zev Machtani) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CASIMERO RIVERA GUTIERREZ ET AL.

The Senate proceeded to consider the bill (S. 974) for the relief of Casimero Rivera Gutierrez, Teresa Gutierrez, Susana Rivera Gutierrez, Martha Aguilera Gutierrez, and Armando Casimero Gutierrez which had been reported from the Committee on the Judiciary with an amendment in line 8, after the word "Act", to insert a comma and "upon payment of the required visa fees.", so as to make the bill read:

Be it enacted, etc., That for the purposes of the Immigration and Nationality Act, Casimero Rivera Gutierrez, Teresa Gutierrez, Susana Rivera Gutierrez, Martha Aguilera Gutierrez, Armando Casimero Gutierrez, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

OFFICE BUILDING FOR ATOMIC ENERGY COMMISSION

The bill (S. 1722) to authorize the Atomic Energy Commission to construct a modern office building in or near the District of Columbia to serve as its prin-

icipal office was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Atomic Energy Commission is authorized, with funds presently available or otherwise made available to it, to acquire (by purchase, condemnation, or otherwise, under the applicable provisions of chapters 14 and 15 of the Atomic Energy Act of 1954) a suitable site in or near the District of Columbia and, notwithstanding any other provision of law, to provide for the construction on such site, in accordance with plans and specifications prepared by or under the direction of the Commission, of a modern office building (including necessary related equipment, and auxiliary structures, as well as vaults for the protection of Restricted Data) to serve as the principal office of the Commission at a total cost of not to exceed \$10 million and for that purpose there is authorized to be appropriated such sums as may be necessary.

AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATIONS, 1956

Mr. JOHNSON of Texas. Mr. President, with a view to making it the unfinished business, I move that the Senate proceed to the consideration of Calendar No. 220, H. R. 5239, the agriculture appropriation bill, with the understanding that the bill will not be taken up until tomorrow.

The PRESIDING OFFICER. The clerk will state the bill by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 5239) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1956, and for other purposes.

The PRESIDING OFFICER. The question is on the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations, with amendments.

Mr. JOHNSON of Texas. I ask unanimous consent that the unfinished business be temporarily laid aside, and that the call of the calendar be proceeded with.

The PRESIDING OFFICER. Without objection it is so ordered; and the next bill on the calendar will be stated.

RETIREMENT, CLERICAL ASSISTANTS, AND FREE MAILING PRIVILEGES TO FORMER PRESIDENTS

The bill (S. 1516) to provide retirement, clerical assistants, and free mailing privileges to former President of the United States, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. PURTELL. Mr. President, I object, not on the merits of the bill, but because I believe it is a bill that ought to be debated by the Senate. Therefore I object.

The PRESIDING OFFICER. Objection is heard. The bill will go over.

RELIEF FOR FARMERS AND FARM WORKERS — BILL PLACED AT FOOT OF CALENDAR

The Senate proceeding to consider the bill (S. 1628) to provide relief of farmers and farm workers suffering crop losses or loss of employment because of damage to crops caused by drought, flood, hail, frost, freeze, wind, insect infestation, plant disease, or other natural causes, which had been reported from the Committee on Agriculture and Forestry with amendments on page 3, line 10, after the word "area", to strike out "shall" and insert "may"; in line 12, after the word "be", to strike out "necessary" and insert "advisable"; after line 13, to strike out:

(b) The Secretary of Agriculture is authorized and directed, whenever he determines that the normal production from the acreage allotment for the principal crop produced on any farm, together with the normal production of other crops grown on such farm, is insufficient to provide a livelihood for the operator of such farm and his family, to increase such acreage allotment to the extent necessary to enable such operator to produce sufficient agricultural commodities to provide such livelihood.

In line 23, to change the subsection letter from "(c)" to "(b)", so as to make the bill read:

Be it enacted, etc.—

CONGRESSIONAL FINDINGS

SECTION 1. The Congress hereby finds (1) that crop losses due to drought, flood, hail, frost, freeze, wind, insect infestation, plant disease, or other natural causes result in severe hardship, suffering, and economic loss, not only in the case of operators of farms but in the case of their tenants and employees as well; (2) that, by reason of acreage limitations or other production controls, farmers suffering such losses are often prevented from planting other crops to replace those lost or damaged; (3) that as a result thereof agricultural workers and other persons dependent on such crops for a livelihood are forced to seek other employment thus causing dislocation of populations and other trends which tend to unbalance existing ratios between rural and urban populations; (4) that the economies of the areas affected are thereby disrupted and the economy of the entire Nation adversely affected.

STATEMENT OF PURPOSES

SEC. 2. It is the purpose of this act to alleviate hardship, suffering, and economic losses resulting from disastrous loss or damage to agricultural crops due to natural causes, and to prevent serious dislocation of populations, and other adverse effects on the economies of the areas affected and the Nation, by making possible the planting of additional acreage of other crops which will in part replace those destroyed or damaged and thus provide a livelihood for farm operators and workers who would otherwise be forced to seek other means of support for themselves and their families.

INCREASE IN ACREAGE ALLOTMENTS

SEC. 3. (a) Whenever the Secretary of Agriculture determines—

(1) that in any area any agricultural crop which is important to the economy of such area has been destroyed or severely damaged by drought, flood, hail, frost, freeze, wind, insect infestation, plant disease, or other natural cause; and

(2) that, except for acreage limitations or other production controls, other crops could be planted to replace or supplement the crop destroyed, or damaged,

the Secretary, upon application by the oper-

ator of any farm within such area, may cause to be allotted to such farm additional acreage for the planting of any such crop in such amount as the Secretary determines to be advisable to carry out the purposes of this act.

(b) The aggregate of the additional acreage allotted for any crop year under this section for the planting of any agricultural commodity shall not exceed (1) 500,000 acres, or (2) 3 percent of the national acreage allotment for such commodity for such year, whichever is smaller.

ADDITIONAL ACREAGE NOT TO BE CONSIDERED FOR PURPOSE OF FUTURE ALLOTMENTS

SEC. 4. The additional acreage authorized to be allotted to farms under this act for any year shall be in addition to the county, State, and national acreage allotments for such year. Such additional acreage shall not be taken into account in establishing future State, county, and farm acreage allotments.

DEFINITION OF AGRICULTURAL CROP

SEC. 5. As used in this act, the term "agricultural crop" means any crop of a product of the soil, including horticultural crops.

TERMINATION DATE

SEC. 6. This act shall cease to be in effect on June 1, 1958.

The amendments were agreed to.

Mr. PURTELL. Mr. President, I object to the bill, on which the amendments have now been agreed to, because I believe the bill establishes a new policy and is a subject that should be debated. I, therefore, object to its consideration on the call of the calendar.

Mr. ELLENDER. Mr. President, I express the hope that the majority leader will set a time for the consideration of the bill. It is absolutely necessary that the Senate act upon it as soon as possible. It must be enacted very shortly if it is to do any good at all.

Mr. RUSSELL. Mr. President, I share the hope expressed by the Senator from Louisiana. The bill should be considered and passed at an early date. It is already rather late for its consideration. I doubt whether it would be beneficial to many areas which were adversely affected by the severe weather conditions which recently occurred. I believe the bill should be brought up promptly, so as to give us an opportunity to go on record with respect to it, and so that we may see how Senators feel about assistance of this kind.

Mr. JOHNSON of Texas. Mr. President, last week I mentioned to the distinguished minority leader that there were some bills reported by the Committee on Agriculture and Forestry which I would propose to take up after the calendar had been called today.

I have conferred with the acting minority leader and with the distinguished Senator who made the objection to its passage on the call of the calendar. If it is agreeable with them, I shall move that the Senate proceed with the consideration of the bill as soon as the call of the calendar shall have been concluded.

Mr. JOHNSTON of South Carolina. Mr. President, I certainly hope that will be done.

Mr. JOHNSON of Texas. I shall ask that the bill be taken up as soon as we have disposed of the calendar.

Mr. JOHNSTON of South Carolina. I thank the Senator.

SALE OF CERTAIN LANDS IN NATIONAL FORESTS—BILL PLACED AT FOOT OF CALENDAR

The bill (S. 1079) to provide for the sale of certain lands in national forests was announced as next in order.

Mr. BIBLE. Mr. President, I ask that the bill be placed at the foot of the calendar.

The PRESIDING OFFICER. Without objection, the bill will be placed at the foot of the calendar.

Mr. BIBLE subsequently said:

Mr. President, I ask that Calendar No. 211, Senate bill 1079, to provide for the sale of certain lands in the national forests, which went to the foot of the calendar, go over until the next call of the calendar.

Mr. CASE of South Dakota. Mr. President, reserving the right to object, this is a bill which was recommended by the Department. I had been expecting to oppose the committee amendment. I wonder if the distinguished Senator from Nevada will state why he would like to have the bill go over until the next call of the calendar.

Mr. BIBLE. Mr. President, I may say to the distinguished Senator from South Dakota that the colleague who is associated with me on the Calendar Committee desires to study this particular bill and has some comments to make concerning it. I was hoping he would be on the floor before we proceeded to the call of the calendar this morning.

Mr. CASE of South Dakota. Of course, I do not wish to deprive any colleague of an opportunity to study a bill the first time it is called on the calendar. I desire to observe, however, that I think the bill has considerable merit, and I believe it is meritorious in the way in which it was introduced. I hope the colleague to whom the distinguished Senator from Nevada has referred will give very careful consideration to the bill as it was originally introduced. I hope the study may lead him to support the bill in its entirety and without the committee amendment striking out a portion of the bill.

The PRESIDING OFFICER. Without objection, Calendar No. 211, Senate bill 1079, to provide for the sale of certain lands in the national forests, will go over to the next call of the calendar.

EMERGENCY ASSISTANCE TO FARMERS AND STOCKMEN—BILLS PLACED AT FOOT OF CALENDAR

The bill (S. 1372) to amend the act of April 6, 1949, to extend the period for emergency assistance to farmers and stockmen was announced as next in order.

Mr. PURTELL. Mr. President, I ask that the bill go over.

Mr. JOHNSON of Texas. Mr. President, do I understand correctly that objection is made by the minority calendar committee to the present consideration of Calendar No. 212, S. 1372?

Mr. PURTELL. That is correct.

Mr. HRUSKA. Mr. President, the bill as drawn provides for an indefinite period, without limitation, for the making

been approved by Canada, Britain, France, the Netherlands, Belgium, Luxembourg, Denmark, Italy, Greece, Turkey, and Iceland. Only the United States and Portugal have not yet accepted, and it is of extreme importance that we do so. It is probable that Western Germany, now that it has been added to NATO will be invited.

The resolution provides for a delegation of 14 Congressional Members, half from the House and half from the Senate, to be appointed by the Speaker and the Vice President.

The State Department has indicated that it favors the proposed action, and has expressed the view that it could contribute materially to the strength of the Atlantic alliance.

When Communist bodies are bending every effort to create divisions within the Atlantic Alliance, when there are frequent irritations and misunderstandings, we cannot over-emphasize the importance of the elected representatives of the people of all these nations sitting down together and discussing their common problems.

This is not only the best way to achieve mutual understanding among legislators, but also the best way to make NATO live in the minds of the people of all our nations.

I hope the resolution will be passed at an early date, as it is urgently necessary that this Nation leave no stone unturned to strengthen the North Atlantic Alliance.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, 1956—AMENDMENT

Mr. WILLIAMS submitted an amendment, intended to be proposed by him to the bill (H. R. 5239) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1956, and for other purposes, which was ordered to lie on the table and to be printed.

SCIENTIFIC COMMISSION WITHIN UNITED NATIONS TO STUDY EFFECT OF NUCLEAR EXPLOSIONS—REPRINTING OF CONCURRENT RESOLUTION—ADDITIONAL COSPONSORS

Mr. PAYNE. Mr. President, last Wednesday, April 20, 1955, when announcing the cosponsors of the concurrent resolution (S. Con. Res. 22) favoring United States participation in a scientific commission within the United Nations to study certain effects of nuclear explosions, I included the senior Senator from Montana [Mr. MURRAY] on the list, as is shown in the text of my remarks in the CONGRESSIONAL RECORD of April 20 on page 4041.

The name of the senior Senator from Montana [Mr. MURRAY] was inadvertently omitted from the list of cosponsors when it was printed. The Senator from Montana indicated an early interest in the resolution for a United Nations study of the effects of atomic radiation. I ask unanimous consent that Senate Concurrent Resolution 22, which is only

a one-page resolution, be immediately reprinted with Senator MURRAY's name included as a cosponsor.

The junior Senator from Alabama [Mr. SPARKMAN] has requested that he also be included as a cosponsor of Senate Concurrent Resolution 22. I ask unanimous consent that Senator SPARKMAN be included as a cosponsor of Senate Concurrent Resolution 22 when it is reprinted.

The VICE PRESIDENT. Is there objection to the request of the Senator from Maine? The Chair hears none, and it is so ordered.

COAST GUARD CONTRACT PERFORMANCE AND PAYMENT BONDS, DISCHARGE OF COMMITTEE, REFERENCE OF BILL

Mr. KILGORE. Mr. President, on March 30, 1955, there was referred to the Committee on the Judiciary H. R. 3885, a bill to amend the act of April 29, 1941, to authorize the waiving of the requirement of performance and payment bonds in connection with certain Coast Guard contracts.

At a meeting of the full committee on April 25, I was authorized to ask unanimous consent to have the Committee on the Judiciary discharged from further consideration of this bill and that the bill and accompanying papers be referred to the Committee on Armed Services, in view of the fact that that committee handled identical legislation in the 83d Congress.

Mr. President, I therefore ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of H. R. 3885, and that the bill and the letter of January 26, 1955, from the Secretary of the Treasury, be referred to the Committee on Armed Services.

The VICE PRESIDENT. Without objection, the Committee on the Judiciary is discharged from further consideration of the bill, and the bill is referred to the Committee on Armed Services.

NOTICE OF HEARING ON S. 1644, A BILL TO PRESCRIBE POLICY AND PROCEDURE IN CONNECTION WITH FEDERAL CONSTRUCTION CONTRACTS

Mr. KILGORE. Mr. President, on behalf of a special subcommittee of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Thursday, May 12, 1955, at 10 a. m., in room 424, Senate Office Building, on S. 1644, a bill to prescribe policy and procedure in connection with construction contracts made by executive agencies, and for other purposes. At the indicated time and place all persons interested in the proposed legislation may make such representations as may be pertinent. The subcommittee consists of myself, chairman; the Senator from Tennessee [Mr. KEFAUVER]; the Senator from Arkansas [Mr. McCLELLAN]; the Senator from Wisconsin [Mr. WILEY]; and the Senator from North Dakota [Mr. LANGER].

NOTICE OF HEARINGS ON SENATE BILL 681 BY INTERNAL SECURITY COMMITTEE OF THE COMMITTEE ON THE JUDICIARY

Mr. BUTLER. Mr. President, as chairman of a task force of the Subcommittee on Internal Security of the Committee on the Judiciary, I announce that public hearings will be held on S. 681 to authorize the Federal Government to guard strategic defense facilities against individuals believed to be disposed to commit acts of sabotage, espionage, or other subversion. These hearings will begin on Friday, April 29, 1955, at 10:30 a. m., in room 135, of the Senate Office Building and will continue on Tuesday, May 3.

All persons desiring to testify on this bill are urged to communicate as soon as possible with Mr. Richard Arens, associate counsel of the subcommittee, who is preparing the schedule of witnesses. The address of the subcommittee is Room 135A, Senate Office Building, and the telephone number is Republic 7-7500, extension 3306.

All witnesses are requested to file 24 hours in advance of their appearance several typewritten copies of their statement and to confine their oral presentation to a summary of about 15 minutes.

NOTICE OF HEARING ON NOMINATION OF JOHN STEPHENS WOOD, TO BE A MEMBER OF THE SUBVERSIVE ACTIVITIES CONTROL BOARD

Mr. HENNINGS. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, May 10, 1955, at 10 a. m., in room 424, Senate Office Building, upon the nomination of John Stephens Wood, of Georgia, to be a member of the Subversive Activities Control Board, for a term of 3 years expiring March 4, 1958, vice Watson B. Miller, term expired. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of myself, chairman, the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Wisconsin [Mr. WILEY].

CONVENTIONS WITH ITALIAN REPUBLIC ON DOUBLE TAXATION—REMOVAL OF INJUNCTION OF SECRECY

Mr. JOHNSON of Texas. Mr. President, I understand there are certain treaties with the Republic of Italy involving double taxation, now at the desk. I ask unanimous consent that the injunction of secrecy be removed from the treaties and that they be referred to the appropriate committee.

The VICE PRESIDENT. As in executive session, the Chair lays before the Senate Executive C, 84th Congress, 1st session, the convention between the United States of America and the Italian Republic for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income,

signed at Washington on March 30, 1955, and Executive D, 84th Congress, 1st session, the convention between the United States of America and the Italian Republic for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on estates and inheritances, signed at Washington on March 30, 1955. Without objection, the injunction of secrecy will be removed from the conventions, and the conventions, together with the President's messages, will be referred to the Committee on Foreign Relations, and the President's messages will be printed in the RECORD.

The President's messages are as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit Executive C, 84th Congress, 1st session, the convention between the United States of America and the Italian Republic for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, signed at Washington on March 30, 1955.

I also transmit for the information of the Senate the report by the Secretary of State with respect to the convention.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, April 25, 1955.

(Enclosures: 1. Report of the Secretary of State. 2. Convention with Italy, signed March 30, 1955, relating to taxes on income.)

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit Executive D, 84th Congress, 1st session, the convention between the United States of America and the Italian Republic for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on estates and inheritances, signed at Washington on March 30, 1955.

I also transmit for the information of the Senate the report by the Secretary of State with respect to the convention.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, April 25, 1955.

(Enclosures: 1. Report of the Secretary of State. 2. Convention with Italy, signed March 30, 1955, relating to taxes on estates and inheritances.)

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. BRICKER:

Address entitled "The Romance of Roads," delivered by Senator MARTIN of Pennsylvania at the annual dinner of the Amen Corner, at Pittsburgh, Pa., on April 23, 1955.

By Mr. GOLDWATER:

Address delivered by Senator McCARTHY at a testimonial dinner for Rabbi Benjamin Schultz, at New York City, on April 20, 1955.

By Mr. LANGER:

Address delivered by Representative CHARLES C. DIGGS, JR., on the ninth anniversary of the Americans All radio program, on March 27, 1955.

By Mr. LEHMAN:

Address on the subject of freedom, delivered by Mr. Irving M. Engel, president of the American Jewish Committee, at the 48th annual meeting of the committee in New York City.

By Mr. BUTLER:

Address entitled "Washington Looks to Maryland," delivered by Lee A. Du Bridge, president, California Institute of Technology, at the dedication of the Glen L. Martin Institute of Technology, University of Maryland, March 25, 1955.

Text of booklet entitled "What Price a Merchant Fleet," prepared by the Committee of American Steamship Lines.

By Mr. LANGER:

Letter dated March 5, 1955, addressed to him by Dr. N. Zukowsky, of Steele, N. Dak., president of the North Dakota State branch of the Ukrainian Congress Committee of America, Inc., regarding the recent celebration of the 37th anniversary of the proclamation of the Free and Independent Ukrainian Republic, together with a radio address delivered by Dr. Zukowsky on January 23, 1955, on the same subject.

By Mr. CASE of South Dakota:

Letter regarding military service, written by Mrs. George Poppen, and published in the Daily Plainsman, of Huron, S. Dak.

By Mr. WATKINS:

Article entitled "The Cain Mutiny," written by Holmes Alexander, dealing with the position of former Senator Cain, at present a member of the Subversive Activities Control Board, on the internal-security system.

By Mr. McNAMARA:

Article from Ironwood Daily Globe of Ironwood, Mich., of March 18, 1955, setting forth the advantages of the upper peninsula of Michigan as a desirable site for industries.

By Mr. NEUBERGER:

Tribute to Tamara Jaffe, queen of annual May fete at Lewis and Clark College, Portland, Oreg.

Editorial tribute to Bishop G. Bromley Oxnam from the Eugene (Oreg.) Register-Guard.

Youth Temperance Education Week proclamation by the Governor of Oregon, and accompanying pamphlet issued by the Oregon Woman's Christian Temperance Union.

By Mr. MUNDT:

Prize-winning address entitled "A Soldier for America," delivered by Gary Schulz, of Mitchell, S. Dak.

Article entitled "Dillard Wins Praise as United States 'Ambassador'," written by Jack Clowser, and published in the Cleveland Press of February 16, 1955.

Editorial entitled "Foe of Communism," published in the Hickory (N. C.) Daily Record of April 20, 1955.

By Mr. HUMPHREY:

Letter from James G. Patton, president of the National Farmers' Union, transmitting an article entitled "Marx Was a City Boy, or, Why Communism May Fail," published in Harpers magazine for February 1955.

By Mr. PAYNE:

Excerpts from editorials and articles relating to the effects of atomic radiation.

By Mr. DOUGLAS:

Editorials on the upper Colorado River project, published in the New York Times and the Chicago Daily News.

FOREIGN POLICY ADDRESS BY
SENATOR GEORGE

Mr. JOHNSON of Texas. Mr. President, last Saturday night the chairman

of the Senate Foreign Relations Committee, the senior Senator from Georgia [Mr. GEORGE], delivered a foreign-policy address which should have far-reaching effects.

With his usual clarity of vision, the Senator from Georgia explored the major problems that lie before the United States and the free world. He issued a challenge for bold and courageous thinking on the vital issues of war and peace.

Mr. President, it is my hope that this statement will receive the careful consideration of every policymaking official of our Government. I therefore ask unanimous consent that the text, as published in the New York Times, be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

TEXT OF SENATOR GEORGE'S ADDRESS TO EDITORS
ON FOREIGN POLICY OF THE UNITED STATES

I was sitting here thinking of the enormous power that you editors of this country have—a great power for good or evil, and I was impressed with the fact that, being Democrats and Republicans, you don't always agree with yourselves. There is enough disagreement always to make for the safety and security of this country.

I am very glad you are here in Washington and yet I am not quite sure why you are here. Maybe it's because Washington is not running a race with any other city in the Union. Maybe it might be appropriate to call it the "windy city" and why you have come here to be bored by speeches of a public man who would be glad to go to you in any part of this country is a bit beyond me.

When I first came to the city, there was an old gentleman in the Senate for whom I had very great respect—John Sharp Williams. He hurried me into the cloakroom one day and quoted to me from some philosopher, the exact name of whom I don't remember, but anyhow, his quotation ran like this:

He said—and he was speaking to his son: "I want you to go to all parts of the world. Especially I want you to visit all the capitals of the world and see what little wisdom the world is actually run with."

I thought it was something a little sacrilegious. I couldn't quite understand it, but in the course of years I could begin, dimly at least, to see what the distinguished Senator from Mississippi, who had studied at home and abroad, stated to me.

AMERICAN ATTITUDE TRACED

Now, I suppose you want me to talk to you a little bit about foreign affairs. Since Mrs. George is here, I am under strict admonition not to talk very long about anything. I am quite sure you will appreciate that.

From the beginning, of course, we have had relations with other peoples, but prior to World War I our foreign relations were hardly known to the masses of the great American people.

These relations and the relations growing out of them occupied the attention of the President, the Secretary of State, and a small group of men in the United States Senate, and intellectuals—men and women throughout the Union.

Even after the outbreak of World War II we said: "Aren't we separated from all that clash and all that confusion by 3,000 miles of ocean and do we not live under other political institutions, and are we not dominated by other social and economic ideas?"

Well, we very soon found the answer. The ranchers and cotton growers and manufacturers soon found their markets declining and all but disappearing. And in every ac-

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued
For actions of

April 27, 1955
April 26, 1955
84th-1st, No. 68

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HIGHLIGHTS: Senate passed USDA appropriation bill. Upon reconsideration, Senate again passed bill authorizing additional acreage allotments for freeze areas, etc. Senate committee voted to report trade agreements bill. Senate committee voted to report bill to increase travel allowances. House committee ordered reported bill for Federal cooperation in non-Federal reclamation projects. Rep. Hagen objected to request that House concur in Senate amendments on bill to increase rice allotments. Sen. Wiley introduced and discussed bill to remove milk trade barriers. Sen. McClellan introduced and discussed bill to establish joint budget committee.

SENATE

1. AGRICULTURAL APPROPRIATION BILL, 1956. Passed with amendments this bill, H. R. 5329 (pp. 4324-43). Sens. Russell, Hayden, Hill, Robertson, Ellender, Young, McCarthy, and Mundt were appointed Senate conferees (p. 4343). Agreed to all committee amendments, except that the item on research was further amended, by an amendment offered by Sen. Stennis, to provide \$40,000 additional with the intention that it be used for home economics work (pp. 4326-33). Sen. Stennis recommended that the Department establish an advisory committee on home economics research (p. 4331). Rejected, 76-5, an amendment by Sen. Williams to decrease the advance ACP authorization from \$250,000,000 to \$175,000,000 for 1956 (pp. 4333-7, 4340-1). Sen. Mansfield recommended additional funds for ARS for the Milk River mosquito-control program in Mont. (pp. 4338-40). Sen. Humphrey criticized the increase in interest rate on emergency loans (p. 4335). Sens. Young and Williams debated wheat price supports (pp. 4336, 4340-1). Sens. Douglas, Russell, and others discussed the bill to repeal the REA State formula and the possibility of additional REA funds if this bill is not enacted (pp. 4342-3). Sen. Robertson inserted a letter from the Appalachian Apple Service requesting discontinuance of USDA apple-price predictions (p. 4343). Sen. Payne suggested that the Department enlist State support of the gypsy moth control program (pp. 4324-6).

2. ACREAGE ALLOTMENTS. Upon reconsideration (requested by Sen. Williams), again

passed as reported S. 1628, to authorize additional acreage allotments for farmers whose crops are destroyed or damaged by freeze, hail, etc. (pp. 4343-7).

3. REORGANIZATION. Passed without amendment S. 1763, to extend the termination date of the Hoover Commission through June 30, 1955 (pp. 4337-8).
4. FORESTRY. The Interior and Insular Affairs Committee voted to report without amendment S. 52, to amend the act to protect scenic values in the Coconino National Forest, Ariz. (p. D334).
5. SUGAR. Sen. Magnuson submitted amendments which he intends to propose to S. 1635, to extend the Sugar Act of 1948 and increase the mainland quotas (p. 4312).
6. TRADE AGREEMENTS. The Finance Committee ordered favorably reported with amendments H. R. 1, to extend the authority of the President to enter into trade agreements. The "Daily Digest" states that the following major amendments were adopted: As a substitute for all amendments relating to commodities, an amendment authorizing the President to take such action as he deems necessary to adjust imports of any article, if such article is being imported in such quantities as to threaten the national security; and an amendment to strengthen the escape-clause provisions of the law. (p. D334.)
7. RECLAMATION; LANDS. The Interior and Insular Affairs Committee ordered favorably reported with amendments S. 300, authorizing the construction, operation, and maintenance of the Fryingpan-Arkansas project, Colo. (major amendment would reduce repayment provisions from 70 to 60 years due to downward revision in estimated construction costs); S. 265, to amend acts authorizing agricultural entries under nonmineral land laws of certain mineral lands so as to increase limitation on desert entries made under such acts to 320 acres; and without amendment S. 748, to prohibit the U. S. from acquiring mineral interests in lands acquired by it except when necessary to serve the purpose for which such lands are acquired (p. D334).
8. TRAVEL. The Post Office and Civil Service Committee ordered favorably reported without amendment S. 1580, to increase the maximum per diem and subsistence allowance of Federal employees from \$9 to \$13 per day, and the maximum auto allowance from 7 to 10 cents per mile (p. D335).
9. RECESSED until Thurs., Apr. 28 (p. 4349).

HOUSE

10. RICE ALLOTMENTS. Rep. Hagen objected to a motion to concur in Senate amendments to H. R. 4647, to increase rice acreage allotments, and stated that the bill as passed by the Senate makes special provision for one and possibly two States, at the disadvantage of the rest of the rice-growing States (pp. 4371-2).
11. FARM LOANS. The Veterans' Affairs Committee reported without amendment H. R. 5715, to extend the authority of the Veterans' Administration to continue through June 30, 1956, to make direct loans to veterans, and to authorize \$150,000,000 therefor (H. Rept. 1447) (p. 4374). The Committee was authorized to file the report by midnight, Apr. 26 (p. 4370).

84TH CONGRESS
1ST SESSION

H. R. 5239

IN THE HOUSE OF REPRESENTATIVES

APRIL 26, 1955

Ordered to be printed with the amendments of the Senate numbered

AN ACT

Making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1956, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the Depart-
5 ment of Agriculture and Farm Credit Administration for
6 the fiscal year ending June 30, 1956, namely :

DEPARTMENT OF AGRICULTURE

TITLE I—REGULAR ACTIVITIES

AGRICULTURAL RESEARCH SERVICE

SALARIES AND EXPENSES

For expenses necessary to perform agricultural research relating to production and utilization, to control and eradicate pests and plant and animal diseases, and to perform related inspection, quarantine and regulatory work, and meat inspection: *Provided*, That not to exceed \$15,000 of the appropriations hereunder shall be available for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U. S. C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a) : *Provided further*, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase (for emergency replacement only) of not to exceed one: *Provided further*, That appropriations hereunder shall be available pursuant to 5 U. S. C. 565a for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any one building (except headhouses connecting greenhouses) shall not exceed \$7,500 and the cost of altering any one building during the fiscal year shall not exceed \$3,750 or two per centum of the cost of the building, whichever is greater: *Provided further*, That ap-

1 appropriations hereunder shall be available for uniforms, or
 2 allowances therefor, as authorized by the Act of September 1,
 3 1954 (68 Stat. 1114) :

4 Research: For research and demonstrations on the pro-
 5 duction and utilization of agricultural products, and related
 6 research and services, including administration of payments
 7 to State Agricultural Experiment Stations; ~~(1)\$37,000,000~~
 8 ~~\$38,040,000(2):~~ *Provided*, That not less than \$200,000 of
 9 this appropriation shall be available to conduct a special study
 10 of ~~(1)~~ the effect on farm income and the general economy
 11 of the United States of acreage reductions imposed on 1954
 12 and 1955 crops, and ~~(2)~~ the most satisfactory solution to
 13 this problem, including the encouragement of sound soil con-
 14 servation practices upon land diverted from production under
 15 such acreage restrictions.

16 Plant and animal disease and pest control: For opera-
 17 tions and measures to control and eradicate pests and
 18 plant and animal diseases and for carrying out assigned
 19 inspection, quarantine and regulatory activities, as authorized
 20 by law; ~~(3)\$17,750,000~~ \$18,758,700, of which ~~(4)\$400,-~~
 21 ~~000~~ \$1,100,000 shall be apportioned for use pursuant to sec-
 22 tion 3679 of the Revised Statutes, as amended, for the control
 23 of outbreaks of insects and plant diseases under the joint reso-
 24 lution approved May 9, 1938 (7 U. S. C. 148-148e), and
 25 the Act of August 13, 1954 (Public Law 586), to the extent

1 necessary to meet emergency conditions: *Provided further,*
2 That no part of this appropriation shall be used to pay the
3 cost or value of trees, farm animals, farm crops, or other
4 property injured or destroyed as a result of plant insect
5 and disease control activities except potatoes and tomatoes
6 as authorized under the Golden Nematode Act: *Provided*
7 *further,* That, in the discretion of the Secretary, no part of
8 this appropriation shall be expended for the control of sweet-
9 potato weevil in any State until such State has provided
10 cooperation necessary to accomplish this purpose, or for
11 barberry eradication until a sum or sums at least equal to
12 such expenditures shall have been made available by States,
13 counties, or local authorities, or by individuals or organiza-
14 tions for the accomplishment of this purpose, or with respect
15 to the golden nematode except as prescribed in section 4 of
16 the Golden Nematode Act.

17 Meat inspection: For carrying out the provisions of laws
18 relating to Federal inspection of meat and meat-food products
19 and the applicable provisions of the laws relating to process
20 or renovated butter; \$14,325,000.

21 PAYMENTS TO STATES, HAWAII, ALASKA, AND PUERTO RICO

22 For payments to the States, Hawaii, Alaska, and Puerto
23 Rico to be paid quarterly in advance where applicable, to
24 carry into effect the provisions of the following Acts relating
25 to agricultural experiment stations:

1 Hatch Act, the Act approved March 2, 1887 (7 U. S. C.
2 362, 363, 365, 368, 377-379), \$720,000; Adams Act, the
3 Act approved March 16, 1906 (7 U. S. C. 369), \$720,000;
4 Purnell Act, the Act approved February 24, 1925 (7
5 U. S. C. 361, 366, 370, 371, 373-376, 380, 382),
6 \$2,880,000; Bankhead-Jones Act, title I of the Act approved
7 June 29, 1935 (7 U. S. C. 427-427g), sections 3 and 5,
8 \$2,863,708, and sections 9 and 11 of said Act as added by
9 the Act of August 14, 1946 (7 U. S. C. 427h, 427j), includ-
10 ing administration by the Office of Experiment Stations in
11 the United States Department of Agriculture, \$16,800,-
12 000, no part of which latter amount shall be used
13 for beginning construction of any building costing in
14 excess of \$15,000; Hawaii, the Act approved May 16, 1928
15 (7 U. S. C. 386-386b), extending the benefits of certain
16 Acts of Congress to the Territory of Hawaii, \$90,000;
17 Alaska, the Act approved February 23, 1929 (7 U. S. C.
18 386c), extending the benefits of the Hatch Act to the Terri-
19 tory of Alaska, \$15,000, and the provisions of section 2 of the
20 Act approved June 20, 1936, as amended (7 U. S. C.
21 369a), extending the benefits of the Adams and Purnell Acts
22 to the Territory of Alaska, \$75,000; Puerto Rico, the Act
23 approved March 4, 1931, as amended (7 U. S. C. 386d-
24 386f), extending the benefits of certain Acts of Congress to
25 Puerto Rico, \$90,000; section 204 (b) of the Agricultural

1 Marketing Act, the Act approved August 14, 1946 (7
2 U. S. C. 1623), \$500,000; in all, payments to States,
3 Hawaii, Alaska, and Puerto Rico, \$24,753,708.

4 FOOT-AND-MOUTH AND OTHER CONTAGIOUS DISEASES OF
5 ANIMALS AND POULTRY

6 Eradication activities: For expenses necessary in the
7 arrest and eradication of foot-and-mouth disease, rinderpest,
8 contagious pleuro-pneumonia, or other contagious or infec-
9 tious diseases of animals, or European fowl pest and similar
10 diseases in poultry, including the payment of claims grow-
11 ing out of destruction of animals (including poultry) af-
12 fected by or exposed to, or of materials contaminated by or
13 exposed to, any such disease, when there has been compli-
14 ance with all lawful quarantine regulations, and for foot-and-
15 mouth disease and rinderpest programs undertaken pursuant
16 to the provisions of the Act of February 28, 1947, and the
17 Act of May 29, 1884, as amended (7 U. S. C. 391; 21
18 U. S. C. 111-122), including expenses in accordance with
19 section 2 of said Act of February 28, 1947, the Secretary
20 may transfer from other appropriations or funds available to
21 the bureaus, corporations, or agencies of the Department
22 such sums as he may deem necessary, but not to exceed
23 \$2,250,000 for eradication of vesicular exanthema of swine,
24 to be available only in an emergency which threatens
25 the livestock or poultry industry of the country, and any

1 unexpended balances of funds transferred under this head
 2 in the next preceeding fiscal year shall be merged with
 3 such transferred amounts: *Provided*, That, except for pay-
 4 ments made pursuant to said Act of February 28, 1947, the
 5 payment for animals may be made on appraisement based on
 6 the meat, egg-production, dairy, or breeding value, but in
 7 case of appraisement based on breeding value no appraise-
 8 ment of any animal shall exceed three times its meat, egg-
 9 production, or dairy value and, except in case of an extraor-
 10 dinary emergency to be determined by the Secretary, the
 11 payment by the United States shall not exceed one-half of
 12 any such appraisements: *Provided further*, That this appro-
 13 priation shall be subject to applicable provisions contained
 14 in the item "Salaries and expenses, Agricultural Research
 15 Service".

16 Research: For expenses necessary for research author-
 17 ized by the Act of April 24, 1948 (21 U. S. C. 113a),
 18 \$1,900,000.

19 EXTENSION SERVICE

20 PAYMENTS TO STATES, HAWAII, ALASKA, AND PUERTO RICO

21 For payments for cooperative agricultural extension work
 22 under the Smith-Lever Act, as amended by the Act of June
 23 26, 1953 (Public Law 83), \$44,155,000; and payments
 24 and contracts for such work under section 204 (b)-205 of
 25 the Agricultural Marketing Act of 1946 (7 U. S. C. 1623-

1 1624), \$1,320,000; in all, \$45,475,000: *Provided*, That
 2 funds hereby appropriated pursuant to section 3 (c)
 3 of the Act of June 26, 1953 (Public Law 83) shall not
 4 be paid to any State, Hawaii, Alaska, or Puerto Rico prior
 5 to availability of an equal sum from non-Federal sources
 6 for expenditure during the current fiscal year.

7 FEDERAL EXTENSION SERVICE

8 Administration and coordination: For administration of
 9 the Smith-Lever Act, as amended by the Act of June 26,
 10 1953 (Public Law 83), and extension aspects of the Agri-
 11 cultural Marketing Act of 1946 (7 U. S. C. 1621-1627),
 12 and to coordinate and provide program leadership for the
 13 extension work of the Department and the several States,
 14 Territories, and insular possessions, \$1,920,000.

15 Penalty mail: For costs of penalty mail for cooperative
 16 extension agents, ~~(5)\$1,500,000~~ \$1,800,000.

17 FARMER COOPERATIVE SERVICE

18 For necessary expenses to carry out the Act of July 2,
 19 1926 (7 U. S. C. 451-457), \$408,000.

20 SOIL CONSERVATION SERVICE

21 CONSERVATION OPERATIONS

22 For necessary expenses for carrying out the provisions
 23 of the Act of April 27, 1935 (16 U. S. C. 590a-590f),
 24 including preparation of conservation plans and establish-
 25 ment of measures to conserve soil and water (including farm

1 irrigation and land drainage and such special measures
 2 as may be necessary to prevent floods and the siltation
 3 of reservoirs); operation of conservation nurseries; classi-
 4 fication and mapping of soils; dissemination of information;
 5 purchase and erection or alteration of permanent buildings;
 6 operation and maintenance of aircraft; and furnishing
 7 of subsistence to employees; ~~(6)\$58,612,579~~ \$60,000,000:
 8 *Provided*, That the cost of any permanent building pur-
 9 chased, erected, or as improved, exclusive of the cost of
 10 constructing a water supply or sanitary system and connect-
 11 ing the same to any such building and with the exception
 12 of buildings acquired in conjunction with land being pur-
 13 chased for other purposes, shall not exceed \$2,500, except
 14 for eight buildings to be constructed or improved at a cost
 15 not to exceed \$15,000 per building and except that altera-
 16 tions or improvements to other existing permanent buildings
 17 costing \$2,500 or more may be made in any fiscal year
 18 in an amount not to exceed \$500 per building: *Provided*
 19 *further*, That no part of this appropriation shall be avail-
 20 able for the construction of any such building on land not
 21 owned by the Government: *Provided further*, That in the
 22 State of Missouri, where the State has established a central
 23 State agency authorized to enter into agreements with the
 24 United States or any of its agencies on policies and general

1 programs for the saving of its soil by the extension of Fed-
2 eral aid to any soil conservation district in such State, the
3 agreements made by or on behalf of the United States with
4 any such soil conservation district shall have the prior
5 approval of such central State agency before they shall
6 become effective as to such district: *Provided further*, That
7 no part of this appropriation may be expended for soil and
8 water conservation operations under the Act of April 27,
9 1935 (16 U. S. C. 590a-590f), in demonstration projects:
10 *Provided further*, That not to exceed \$5,000 may be used
11 for employment pursuant to the second sentence of section
12 706 (a) of the Organic Act of 1944 (5 U. S. C.
13 574), as amended by section 15 of the Act of August 2,
14 1946 (5 U. S. C. 55a): *Provided further*, That qualified
15 local engineers may be temporarily employed at per diem
16 rates to perform the technical planning work of the service.

17 WATERSHED PROTECTION

18 For expenses necessary to conduct surveys, investiga-
19 tions, and research and to carry out preventive measures,
20 including, but not limited to, engineering operations,
21 methods of cultivation, the growing of vegetation, and
22 changes in use of land, in accordance with the Watershed
23 Protection and Flood Prevention Act, approved August 4,
24 1954 (Public Law 566), and the provisions of the Act of
25 April 27, 1935 (16 U. S. C. 590a-590f), to remain

1 available until expended, \$12,000,000, with which shall be
2 merged the unexpended balances of funds heretofore approp-
3 riated or transferred to the Department for watershed pro-
4 tection purposes.

5 FLOOD PREVENTION

6 For expenses necessary, in accordance with the Flood
7 Control Act, approved June 22, 1936 (Public Law 738), as
8 amended and supplemented, and in accordance with the
9 provisions of laws relating to the activities of the Depart-
10 ment, to perform works of improvement, including not to
11 exceed \$100,000 for employment pursuant to the second
12 sentence of section 706 (a) of the Organic Act of
13 1944 (5 U. S. C., 574), as amended by section 15 of
14 the Act of August 2, 1946 (5 U. S. C. 55a), at rates
15 for individuals not to exceed \$100 per diem, to remain
16 available until expended, \$10,000,000, with which shall
17 be merged the unexpended balances of funds heretofore ap-
18 propriated or transferred to the Department for flood pre-
19 vention purposes: *Provided*, That no part of such funds shall
20 be used for the purchase of lands in the Yazoo and Little
21 Tallahatchie watersheds without specific approval of the
22 county board of supervisors of the county in which such lands
23 are situated: *Provided further*, That hereafter the funds
24 appropriated for flood prevention purposes may be expended
25 in watersheds heretofore authorized by section 13 of the

1 Flood Control Act of December 22, 1944, as amended, for
2 necessary measures for the prevention of erosion, floodwater,
3 and sediment damages, including gully control, floodwater
4 detention, and floodway structures, in areas other than those
5 over which the Department of the Army has jurisdiction
6 and responsibility.

7 AGRICULTURAL CONSERVATION PROGRAM SERVICE

8 For necessary expenses to carry into effect the provi-
9 sions of sections 7 to 17, inclusive, of the Soil Conservation
10 and Domestic Allotment Act, approved February 29, 1936,
11 as amended (16 U. S. C. 590g-590q), including not to
12 exceed \$6,000 for the preparation and display of exhibits,
13 including such displays at State, interstate, and international
14 fairs within the United States; \$214,500,000, to remain
15 available until December 31 of the next succeeding fiscal
16 year for compliance with the program of soil-building prac-
17 tices and soil- and water-conserving practices authorized
18 under this head in the Department of Agriculture and Farm
19 Credit Administration Appropriation Act 1955, carried out
20 during the period July 1, 1954, to December 31, 1955, in-
21 clusive: *Provided*, That not to exceed (7)\$22,500,000 \$23,-
22 000,000 of the total sum provided under this head shall be
23 available during the current fiscal year for salaries and other
24 administrative expenses for carrying out such program, the cost
25 of aerial photographs, however, not to be charged to such limi-

1 tation ; but not more than ~~(8)\$4,020,000~~ \$4,520,000 shall be
2 transferred to the appropriation account, "Administrative ex-
3 penses, section 392, Agricultural Adjustment Act of 1938"
4 (9), and for the 1956 program an amount not to exceed 5
5 per centum of the amount of funds available for payments
6 under the 1956 program for the State shall be available for
7 transfer to any Federal, State, or local public agency for
8 services of technicians in formulating and carrying out the
9 agricultural conservation program, but such use of these funds
10 may be made only on the recommendation of the county com-
11 mittee and approval of the State committee: Provided further,
12 That payments to claimants hereunder may be made
13 upon the certificate of the claimant, which certificate
14 shall be in such form as the Secretary may prescribe,
15 that he has carried out the conservation practice or prac-
16 tices and has complied with all other requirements as
17 conditions for such payments and that the statements and
18 information contained in the application for payment are
19 correct and true, to the best of his knowledge and belief,
20 under the penalties of title 18, United States Code: Pro-
21 vided further, That none of the funds herein appropriated
22 or made available for the functions assigned to the Agri-
23 cultural Adjustment Agency pursuant to the Executive
24 Order Numbered 9069, of February 23, 1942, shall be
25 used to pay the salaries or expenses of any regional in-

1 formation employees or any State information employees,
2 but this shall not preclude the answering of inquiries or
3 supplying of information at the county level to individ-
4 ual farmers: *Provided further*, That such amount shall
5 be available for salaries and other administrative expenses
6 in connection with the formulation and administration of
7 the 1956 program of soil-building practices and soil- and
8 water-conserving practices, under the Act of February 29,
9 1936, as amended (amounting to \$250,000,000, including
10 administration, and formulated on the basis of a distribution
11 of the funds available for payments and grants among the
12 several States in accordance with their conservation needs
13 as determined by the Secretary, except that the proportion
14 allocated to any State shall not be reduced more than 15
15 per centum from the distribution for the next preceding
16 program year, and no participant shall receive more than
17 \$1,500, except where the participants from two or more
18 farms or ranches join to carry out approved practices de-
19 signed to conserve or improve the agricultural resources of the
20 community) ; but the payments or grants under such pro-
21 grams shall be conditioned upon the utilization of land with
22 respect to which such payments or grants are to be made in
23 conformity with farming practices which will encourage and
24 provide for soil-building and soil- and water-conserving prac-
25 tices in the most practical and effective manner and adapted

1 to conditions in the several States, as determined and
2 approved by the State committees appointed pursuant to
3 section 8 (b) of the Soil Conservation and Domestic Al-
4 lotment Act, as amended (16 U. S. C. 590h (b)), for
5 the respective States(10): *Provided further,* That not to
6 exceed 5 per centum of the allocation for the 1956 agri-
7 cultural conservation program for any county may, on
8 the recommendation of such county committee and ap-
9 proval of the State committee, be withheld and allotted
10 to the Soil Conservation Service for services of its tech-
11 nicians in formulating and carrying out the agricultural
12 conservation program in the participating counties, and
13 the funds so allotted may be placed in a single account
14 for each State, and shall not be utilized by the Soil Con-
15 servation Service for any purpose other than technical
16 and other assistance in such counties: *Provided further,*
17 That for the 1956 program \$2,500,000 shall be avail-
18 able for technical assistance in formulating and carrying
19 out agricultural conservation practices and \$1,000,000
20 shall be available for conservation practices related
21 directly to flood-prevention work in approved water-
22 sheds: *Provided further,* That in carrying out the
23 1956 program the Secretary shall give particular consid-
24 eration to the conservation problems on farmlands di-
25 verted from crops under acreage-allotment programs:

1 *Provided further*, That such amounts shall be available
2 for the purchase of seeds, fertilizers, lime, trees, or any
3 other farming material, or any soil-terracing services, and
4 making grants thereof to agricultural producers to aid
5 them in carrying out farming practices approved by the
6 Secretary under programs provided for herein: *Provided*
7 *further*, That no part of any funds available to the De-
8 partment, or any bureau, office, corporation, or other
9 agency constituting a part of such Department, shall be
10 used in the current fiscal year for the payment of sal-
11 ary or travel expenses of any person who has been con-
12 victed of violating the Act entitled "An Act to prevent
13 pernicious political activities", approved August 2, 1939, as
14 amended, or who has been found in accordance with the
15 provisions of title 18, United States Code, section 1913, to
16 have violated or attempted to violate such section which
17 prohibits the use of Federal appropriations for the payment
18 of personal services or other expenses designed to influ-
19 ence in any manner a Member of Congress to favor or op-
20 pose any legislation or appropriation by Congress except
21 upon request of any Member or through the proper official
22 channels.

1 AGRICULTURAL MARKETING SERVICE

2 MARKETING RESEARCH AND SERVICE

3 For expenses necessary to carry on research and service
 4 to improve and develop marketing and distribution relating
 5 to agriculture as authorized by the Agricultural Marketing
 6 Act of 1946 (7 U. S. C. 1621-1627) and other laws, in-
 7 cluding the administration of marketing regulatory acts
 8 connected therewith: *Provided*, That appropriations here-
 9 under shall be available pursuant to U. S. C. 565a for the
 10 construction, alteration, and repair of buildings and improve-
 11 ments, but unless otherwise provided, the cost of erecting
 12 any one building shall not exceed \$7,500 and the cost of
 13 altering any one building during the fiscal year shall not
 14 exceed \$3,750 or 2 per centum of the cost of the building,
 15 whichever is greater:

16 Marketing research and agricultural estimates: For
 17 research and development relating to agricultural marketing
 18 and distribution, for analyses relating to farm prices, income
 19 and population, and demand for farm products, and for crop
 20 and livestock estimates; ~~(11)\$10,981,000~~ \$11,096,000
 21 ~~(12):~~ *Provided*, That not less than \$1,000,000 of the funds

1 contained in this appropriation shall be available to gather
 2 statistics and conduct a special study on the price spread be-
 3 tween the farmer and the consumer: *Provided further*, That
 4 no part of the funds herein appropriated shall be available for
 5 any expense incident to ascertaining, collating, or publishing a
 6 report stating the intention of farmers as to the acreage to be
 7 planted in cotton, or for estimates of apple production for
 8 other than the commercial crop.

9 **Marketing services:** For services relating to agricul-
 10 tural marketing and distribution, for carrying out regulatory
 11 acts connected therewith, and for administration and
 12 coordination of payments to States; ~~(13)\$11,810,000~~
 13 ~~\$12,010,000~~, including not to exceed \$25,000 for employ-
 14 ment at rates not to exceed \$100 per diem, pursuant to the
 15 second sentence of section 706 (a) of the Organic Act of
 16 1944 (5 U. S. C. 574), as amended by section 15 of the
 17 Act of August 2, 1946 (5 U. S. C. 55a), in carrying out
 18 section 201 (a) to 201 (d), inclusive, of title II of the
 19 Agricultural Adjustment Act of 1938 (7 U. S. C. 1291)
 20 and section 203 (j) of the Agricultural Marketing Act of
 21 1946.

22 **PAYMENTS TO STATES, TERRITORIES, AND POSSESSIONS**

23 For payments to departments of agriculture, bureaus
 24 and departments of markets and similar agencies for market-

ing activities under section 204 (b) of the Agricultural Marketing Act of 1946 (7 U. S. C. 1623 (b)), \$1,000,000.

SCHOOL LUNCH PROGRAM

For necessary expenses to carry out the provisions of the National School Lunch Act (42 U. S. C. 1751-1760) . \$83,236,197: *Provided*, That no part of this appropriation shall be used for nonfood assistance under section 5 of said Act.

FOREIGN AGRICULTURAL SERVICE

For necessary expenses for the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954 (Public Law 690, approved August 28, 1954), and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed \$20,000 for representation allowances, \$3,365,000(14): ~~*Provided*, That not less than \$500,000 of the funds contained in this appropriation shall be available to obtain statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis.~~

COMMODITY EXCHANGE AUTHORITY

For necessary expenses to carry into effect the provisions of the Commodity Exchange Act, as amended (7 U. S. C. 1-17a), \$698,000.

COMMODITY STABILIZATION SERVICE

AGRICULTURAL ADJUSTMENT PROGRAMS

For necessary expenses to formulate and carry out acreage allotment and marketing quota programs pursuant to provisions of title III of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1301-1393), \$39,000,000. of which not more than ~~(15)\$5,500,000~~ \$6,165,000 shall be transferred to the appropriation account "Administrative expenses, section 392, Agricultural Adjustment Act of 1938".

SUGAR ACT PROGRAM

For necessary expenses to carry into effect the provisions of the Sugar Act of 1948 (7 U. S. C. 1101-1160), \$59,600,000, to remain available until June 30 of the next succeeding fiscal year: *Provided*, That expenditures (including transfers) from this appropriation for other than payments to sugar producers shall not exceed ~~(16)\$1,440,000~~ \$1,617,000.

FEDERAL CROP INSURANCE CORPORATION

For operating and administrative expenses, \$6,000,000.

RURAL ELECTRIFICATION ADMINISTRATION

To carry into effect the provisions of the Rural Electrification Act of 1936, as amended (7 U. S. C. 901-924), as follows:

LOAN AUTHORIZATIONS

For loans in accordance with said Act, and for carrying out the provisions of section 7 thereof, to be borrowed from the Secretary of the Treasury in accordance with the provisions of section 3 (a) of said Act as follows: Rural electrification program, \$160,000,000; and rural telephone program, \$75,000,000; and additional amounts, not to exceed \$100,000,000 for the rural electrification program, may be borrowed under the same terms and conditions to the extent that such additional amounts are required during the fiscal year 1956, under the then existing conditions, for the expeditious and orderly development of the program.

SALARIES AND EXPENSES

For administrative expenses, including not to exceed \$500 for financial and credit reports, and not to exceed \$150,000 for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U. S. C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), \$7,680,000.

FARMERS' HOME ADMINISTRATION

To carry into effect the provisions of titles I, II, and the related provisions of title IV of the Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C. 1000-1031);

1 the Farmers' Home Administration Act of 1946 (7 U. S. C.
 2 1001, note; 31 U. S. C. 82h; 12 U. S. C. 371; 35 D. C.
 3 Code 535; 60 Stat. 1062-1080) ; the Act of July 30, 1946
 4 (40 U. S. C. 436-439) ; the Act of August 28, 1937, as
 5 amended ~~(17)(16 U. S. C. 590r-590x, 590z-5)~~ (16 U. S. C.
 6 590r-590x-3), for the development of facilities for water
 7 storage and utilization in the arid and semiarid areas of the
 8 United States; the provisions of title V of the Housing Act
 9 of 1949 (42 U. S. C. 1471-1483), as amended by the
 10 Housing Act of 1952 (Public Law 531, approved July 14,
 11 1952), relating to financial assistance for farm housing; the
 12 Rural Rehabilitation Corporation Trust Liquidation Act,
 13 approved May 3, 1950 (40 U. S. C. 440-444) ; the items
 14 "Loans to farmers, 1948 flood damage" in the Act of June
 15 25, 1948 (62 Stat. 1038), and "Loans to farmers, property
 16 damage" in the Act of May 24, 1949 (63 Stat. 82) ; the
 17 collecting and servicing of credit sales and development
 18 accounts in water conservation and utilization projects (53
 19 Stat. 685, 719), as amended and supplemented (16 U. S. C.
 20 590y, z1 and z10) ; and the Act to direct the Secretary of
 21 Agriculture to convey certain mineral interests, approved
 22 September 6, 1950 (7 U. S. C. 1033-1039), as follows:

23 LOAN AUTHORIZATIONS

24 For loans (including payments in lieu of taxes and
 25 taxes under section 50 of the Bankhead-Jones Farm Tenant

1 Act, as amended, and advances incident to the acquisition
 2 and preservation of security of obligations under the fore-
 3 going several authorities): Title I and section 43 of title
 4 IV of the Bankhead-Jones Farm Tenant Act, as amended,
 5 \$19,000,000, of which not to exceed \$5,000,000 may be
 6 distributed to States and Territories without regard to farm
 7 population and prevalence of tenancy, in addition to the
 8 amount otherwise distributed thereto, for loans in reclamation
 9 projects and to entrymen on unpatented public land; title II
 10 of the Bankhead-Jones Farm Tenant Act, as amended,
 11 \$122,500,000; the Act of August 28, 1937, as amended,
 12 \$11,500,000: *Provided*, That not to exceed the foregoing
 13 several amounts shall be borrowed in one account from the
 14 Secretary of the Treasury in accordance with the provisions
 15 set forth under this head in the Department of Agriculture
 16 Appropriation Act, 1952.

17 SALARIES AND EXPENSES

18 For making, servicing, and collecting loans and insured
 19 mortgages, the servicing and collecting of loans made under
 20 prior authority, the liquidation of assets transferred to
 21 Farmers' Home Administration, and other administrative
 22 expenses, \$24,500,000, together with a transfer of not to ex-
 23 ceed ~~(18)\$400,000~~ \$500,000 of the fees and administrative
 24 expense charges made available by subsections (d) and (e)
 25 of section 12 of the Bankhead-Jones Farm Tenant Act,

1 as amended ~~(19)~~(7 U. S. C. 1005 (b)), and section 10 (c)
2 of the Act of August 28, 1937, as amended.

3 OFFICE OF THE GENERAL COUNSEL

4 For necessary expenses, including payment of fees or
5 dues for the use of law libraries by attorneys in the field
6 service, ~~(20)\$2,079,000~~ \$2,164,000, together with such
7 amounts from other appropriations or authorizations as are
8 provided in the schedules in the budget for the current fiscal
9 year for such expenses, which several amounts not exceeding
10 a total of ~~(21)\$300,000~~ \$375,000 shall be transferred to and
11 made a part of this appropriation.

12 OFFICE OF THE SECRETARY

13 For expenses of the Office of the Secretary of Agricul-
14 ture, including the purchase of one passenger motor vehicle
15 for replacement only; expenses of the National Agricultural
16 Advisory Commission; stationery, supplies, materials, and
17 equipment; freight, express, and drayage charges; adver-
18 tising of bids, communication service, postage, washing
19 towels, repairs and alterations, and other miscellaneous sup-
20 plies and expenses not otherwise provided for and necessary
21 for the practical and efficient work of the Department of
22 Agriculture; ~~(22)\$2,116,000~~ \$2,172,600, together with such
23 amounts from other appropriations or authorizations as are
24 provided in the schedules in the budget for the current fiscal
25 year for such services and expenses, which several amounts

1 or portions thereof, as may be determined by the Secretary,
2 not exceeding a total of \$84,280, shall be transferred to and
3 made a part of this appropriation.

4 OFFICE OF INFORMATION

5 For necessary expenses of the Office of Information for
6 the dissemination of agricultural information and the coor-
7 dination of informational work and programs authorized
8 by Congress in the Department, \$1,238,000, together
9 with such amounts from other appropriations or au-
10 thorizations as are provided in the schedules in the budget
11 for the current fiscal year for such expenses, which several
12 amounts not exceeding a total of \$16,014 shall be transferred
13 to and made a part of this appropriation, of which total
14 appropriation not to exceed \$537,000 may be used for
15 farmers' bulletins, which shall be adapted to the interests of
16 the people of the different sections of the country, an equal
17 proportion of four-fifths of which shall be delivered to or sent
18 out under the addressed franks furnished by the Senators,
19 Representatives, and Delegates in Congress, as they shall
20 direct (7 U. S. C. 417) and not less than two hundred thirty
21 thousand eight hundred and fifty copies for the use of the
22 Senate and House of Representatives of part 2 of the annual
23 report of the Secretary (known as the Yearbook of Agricul-
24 ture) as authorized by section 73 of the Act of January 12,
25 1895 (44 U. S. C. 241) : *Provided*, That in the preparation

1 of motion pictures or exhibits by the Department, not ex-
2 ceeding a total of \$10,000 may be used for employment
3 pursuant to the second sentence of section 706 (a) of the
4 Organic Act of 1944 (5 U. S. C. 574), as amended by
5 section 15 of the Act of August 2, 1946 (5 U. S. C. 55a) :
6 *Provided further*, That no part of this appropriation shall be
7 used for the establishment or maintenance of regional or State
8 field offices, or for the compensation of employees in such
9 offices.

10 LIBRARY

11 For necessary expenses, including dues for library mem-
12 bership in societies or associations which issue publications
13 to members only or at a price to members lower than to sub-
14 scribers who are not members, \$659,950.

15 TITLE II—CORPORATIONS

16 The following corporations and agencies are hereby
17 authorized to make such expenditures, within the limits of
18 funds and borrowing authority available to each such cor-
19 poration or agency and in accord with law, and to make such
20 contracts and commitments without regard to fiscal year
21 limitations as provided by section 104 of the Government
22 Corporation Control Act, as amended, as may be necessary
23 in carrying out the programs set forth in the budget for the
24 fiscal year 1956 for such corporation or agency, except as
25 hereinafter provided:

1 Federal Crop Insurance Corporation: *Provided*, That the
 2 direct costs of loss adjusters for crop inspections and loss
 3 adjustments may be considered as nonadministrative or non-
 4 operating expenses: *Provided further*, That not to exceed
 5 \$1,500,000 of administrative and operating expenses may be
 6 paid from premium income.

7 COMMODITY CREDIT CORPORATION

8 RESTORATION OF CAPITAL IMPAIRMENT

9 To restore the capital impairment of the Commodity
 10 Credit Corporation determined by the appraisal of June
 11 30, 1954, pursuant to section 1 of the Act of March 8, 1938,
 12 as amended (15 U. S. C. 713a-1), \$1,634,659.

13 LIMITATION ON ADMINISTRATIVE EXPENSES

14 Nothing in this Act shall be so construed as to prevent
 15 the Commodity Credit Corporation from carrying out any
 16 activity or any program authorized by law: *Provided*, That
 17 not to exceed \$26,000,000 shall be available for admin-
 18 istrative expenses of the Corporation(23): ~~*Provided further*,~~
 19 ~~That \$2,000,000 of this authorization shall be available only~~
 20 ~~to expand and strengthen the sales program of the Corpora-~~
 21 ~~tion pursuant to authority contained in the Corporation's~~
 22 ~~charter(24):~~ *Provided further*, That \$934,914 of this au-
 23 thorization shall be placed in reserve to be apportioned pur-
 24 suant to section 3679 of the Revised Statutes, as amended,
 25 for use only in such amounts and at such time as may become

1 *necessary to carry out program operations: Provided further,*
 2 That all necessary expenses (including legal and special
 3 services performed on a contract or fee basis, but not in-
 4 cluding other personal services) in connection with the
 5 acquisition, operation, maintenance, improvement, or dis-
 6 position of any real or personal property belonging to the
 7 Corporation or in which it has an interest, including ex-
 8 penses of collections of pledged collateral, shall be considered
 9 as nonadministrative expenses for the purposes hereof.

10 TITLE III—SPECIAL ACTIVITIES

11 RESEARCH ON STRATEGIC AND CRITICAL AGRICULTURAL 12 MATERIALS

13 For expenses necessary to carry out section 7 (b) of
 14 the Strategic and Critical Materials Stock Piling Act of
 15 July 23, 1946 (50 U. S. C. 98f), \$300,000: *Provided,*
 16 That this appropriation shall be subject to applicable pro-
 17 visions contained in the item "Salaries and expenses, Agri-
 18 cultural Research Service".

19 REPAYMENT TO COMMODITY CREDIT CORPORATION FOR 20 ERADICATION OF FOOT-AND-MOUTH AND OTHER CON- 21 TAGIOUS DISEASES OF ANIMALS AND POULTRY

22 For reimbursement to Commodity Credit Corporation
 23 for sums transferred to the appropriation "Eradication of
 24 foot-and-mouth and other contagious diseases of animals and

1 poultry", fiscal year 1954 (including interest thereon through
 2 June 30, 1955), pursuant to authority contained under such
 3 head in the Department of Agriculture Appropriation Act,
 4 1954, \$5,788,897.

5 INTERNATIONAL WHEAT AGREEMENT

6 To discharge indebtedness of the Commodity Credit
 7 Corporation to the Secretary of the Treasury for the net
 8 costs during the fiscal year 1954 (including interest thereon
 9 through June 30, 1955) under the International Wheat
 10 Agreement Act of 1949, as amended (7 U. S. C. 1641-
 11 1642), \$57,378,551.

12 REIMBURSEMENT TO COMMODITY CREDIT CORPORATION

13 FOR TRANSFER OF WHEAT TO PAKISTAN

14 To reimburse the Commodity Credit Corporation for
 15 its investment (including costs of handling, delivery, and
 16 interest through June 30, 1955) in wheat transferred to
 17 the Government of Pakistan under the Act of June 25,
 18 1953 (67 Stat. 80), ~~(25)\$69,273,881~~ \$69,385,831.

19 REIMBURSEMENT TO COMMODITY CREDIT CORPORATION

20 FOR EMERGENCY FEED ASSISTANCE

21 To reimburse the Commodity Credit Corporation for
 22 losses representing the difference between the value of feed
 23 furnished farmers and stockmen in disaster areas and sales
 24 price received by the Corporation, \$42,100,000.

1 REIMBURSEMENT TO COMMODITY CREDIT CORPORATION
 2 FOR EMERGENCY FAMINE RELIEF TO FRIENDLY
 3 PEOPLES

4 To reimburse the Commodity Credit Corporation for
 5 its investment (including costs of handling, delivery, and
 6 interest through June 30, 1955) in commodities disposed
 7 of under the Act of August 7, 1953 (67 Stat. 476),
 8 ~~(26)\$9,676,628~~ \$9,545,830.

9 TITLE IV—FARM CREDIT ADMINISTRATION

10 Not to exceed \$2,320,000 (from assessments collected
 11 from farm credit agencies) shall be obligated during the
 12 current fiscal year for administrative expenses, including
 13 \$3,500 for the purchase and installation of air-conditioning
 14 equipment (40 U. S. C. 317).

15 Federal Farm Mortgage Corporation: Not to exceed
 16 \$550,000 (to be computed on an accrual basis) of the
 17 funds of the Corporation shall be available for admin-
 18 istrative expenses, including employment on a contract or fee
 19 basis of persons, firms, and corporations for the perform-
 20 ance of special services, including legal services, and the use
 21 of the services and facilities of Federal land banks,
 22 national farm loan associations, Federal Reserve banks,
 23 and agencies of the Government as authorized by the
 24 Act of January 31, 1934 (12 U. S. C. 1020-1020h);
 25 and said total sum shall be exclusive of services and facilities

1 furnished and examinations made by the Farm Credit Ad-
2 ministration, interest expense, and expenses in connection
3 with the acquisition, operation, maintenance, improve-
4 ment, protection, or disposition of real or personal prop-
5 erty belonging to the Corporation or in which it has an
6 interest: *Provided*, That promptly after June 30 of each
7 fiscal year all cash funds in excess of the estimated operating
8 requirements for the current fiscal year shall be declared
9 as dividends and paid into the general fund of the Treasury:
10 *Provided further*, That the aggregate amount of bonds the
11 Corporation may issue and have outstanding at any one time
12 shall not exceed \$500,000,000.

13 Federal intermediate credit banks: Not to exceed
14 \$1,825,000 (to be computed on an accrual basis) of the
15 funds of the banks shall be available for administrative
16 expenses and services performed for the banks by other
17 Government agencies (except services and facilities furnished
18 and examinations made by the Farm Credit Administra-
19 tion, and services performed by any Federal Reserve
20 bank and by the United States Treasury in connection with
21 the financial transactions of the banks) ; and said total sum
22 shall be exclusive of interest expense, legal and special serv-
23 ices performed on a contract or fee basis, and expenses in
24 connection with the acquisition, operation, maintenance, im-
25 provement, protection, or disposition of real or personal

1 property belonging to the banks or in which they have an
2 interest.

3 Production credit corporations: Not to exceed \$1,595,-
4 000 (to be computed on an accrual basis) of the funds of
5 the corporations shall be available for administrative ex-
6 penses, including the purchase of not to exceed six passenger
7 motor vehicles for replacement only, and services performed
8 for the corporations by other Government agencies (except
9 services and facilities furnished and examinations made
10 by the Farm Credit Administration) ; and said total sum
11 shall be exclusive of interest expense, legal and special
12 services performed on a contract or fee basis, and expenses
13 in connection with the acquisition, operation, maintenance,
14 improvement, protection, or disposition of real or personal
15 property belonging to the corporations or in which they
16 have an interest.

17 TITLE V—GENERAL PROVISIONS

18 SEC. 501. Within the unit limit of cost fixed by law, the
19 lump-sum appropriations and authorizations made for the
20 Department under this Act shall be available for the pur-
21 chase, in addition to those specifically provided for, of not
22 to exceed 535 passenger motor vehicles for replace-
23 ment only, and for the hire of such vehicles, necessary in the
24 conduct of the work of the Department outside the District
25 of Columbia.

1 SEC. 502. Provisions of law prohibiting or restricting
2 the employment of aliens shall not apply to (1) the tem-
3 porary employment of translators when competent citizen
4 translators are not available; (2) employment in cases of
5 emergency of persons in the field service of the Department
6 for periods of not more than sixty days; and (3) employ-
7 ment under the appropriation for the Foreign Agricultural
8 Service.

9 SEC. 503. Of appropriations herein made which are
10 available for the purchase of lands, not to exceed \$1 may be
11 expended for each option to purchase any particular tract or
12 tracts of land.

13 SEC. 504. No part of the funds appropriated by this Act
14 shall be used for the payment of any officer or employee of
15 the Department who, as such officer or employee, or on
16 behalf of the Department or any division, commission, or
17 bureau thereof, issues, or causes to be issued, any prediction,
18 oral or written, or forecast, except as to damage threatened
19 or caused by insects and pests, with respect to future prices
20 of cotton ~~(27)~~*or apples* or the trend of same.

21 SEC. 505. Except to provide materials required in or
22 incident to research or experimental work where no suitable
23 domestic product is available, no part of the funds appro-
24 priated by this Act shall be expended in the purchase of

1 twine manufactured from commodities or materials produced
2 outside of the United States.

3 SEC. 506. Not less than \$1,500,000 of the appro-
4 priations of the Department for research and service
5 work authorized by the Act of August 14, 1946 (7
6 U. S. C. 427, 1621-1629), and the Act of July 28,
7 1954 (Public Law 545), shall be available for contract-
8 ing in accordance with said Acts.

9 SEC. 507. No part of any appropriation contained in
10 this Act, or of the funds available for expenditure by any
11 corporation included in this Act, shall be used to pay the
12 salary or wages of any person who engages in a strike
13 against the Government of the United States or who is a
14 member of an organization of Government employees that
15 asserts the right to strike against the Government of the
16 United States, or who advocates, or is a member of an or-
17 ganization that advocates, the overthrow of the Govern-
18 ment of the United States by force or violence: *Provided*,
19 That for the purposes hereof an affidavit shall be considered
20 prima facie evidence that the person making the affidavit
21 has not contrary to the provisions of this section engaged in
22 a strike against the Government of the United States, is
23 not a member of an organization of Government employees
24 that asserts the right to strike against the Government of
25 the United States, or that such person does not advocate,

1 and is not a member of an organization that advocates, the
2 overthrow of the Government of the United States by force
3 or violence: *Provided further*, That any person who engages
4 in a strike against the Government of the United States or
5 who is a member of an organization of Government em-
6 ployees that asserts the right to strike against the Govern-
7 ment of the United States, or who advocates, or who is a
8 member of an organization that advocates, the overthrow
9 of the Government of the United States by force or violence
10 and accepts employment the salary or wages for which are
11 paid from any appropriation or fund contained in this Act
12 shall be guilty of a felony and, upon conviction, shall be
13 fined not more than \$1,000 or imprisoned for not more than
14 one year, or both: *Provided further*, That the above penalty
15 clause shall be in addition to, and not in substitution for, any
16 other provisions of existing law: *Provided further*, That
17 nothing in this section shall be construed to require an affi-
18 davit from any person employed for less than sixty days for
19 sudden emergency work involving the loss of human life or
20 destruction of property, the payment of salary or wages may
21 be made to such persons from applicable appropriations for
22 services rendered in such emergency without execution of
23 the affidavit contemplated by this section.

24 SEC. 508. No part of any appropriation contained in
25 this Act or of the funds available for expenditure by any

1 corporation or agency included in this Act shall be used
2 for publicity or propaganda purposes to support or defeat
3 legislation pending before the Congress.

4 SEC. 509. Appropriations of the Department available
5 for research and service work authorized by the Act of
6 August 14, 1946 (7 U. S. C. 427; 7 U. S. C. 1621-1629)
7 shall be available for expenses of any advisory committee
8 established as provided in title III of said Act to assist in
9 effectuating the research and service work of the Department.

10 This Act may be cited as the "Department of Agri-
11 culture and Farm Credit Administration Appropriation Act,
12 1956".

Passed the House of Representatives March 28, 1955.

Attest: RALPH R. ROBERTS,
Clerk.

Passed the Senate with amendments April 26 (legis-
lative day, April 25), 1955.

Attest: FELTON M. JOHNSTON,
Secretary.

AN ACT

Making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1956, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 26, 1955

Ordered to be printed with the amendments of the
Senate numbered

is Chiang Kai-shek with his 600,000 ready-made Communist-hating troops and a strategic position just off Mao's flank.

If Mao could be given a decisive defeat on Quemoy and Matsu, I feel that the entire Asian picture would change. Mao's unpopular puppet regime would be en route toward collapse.

Help Chiang knock out Mao Tse-tung, and you have won the first round for a friendly China, a friendly Asia.

The Chinese field commanders say that with United States air support, the Nationalists could hold Quemoy and Matsu against any Communist invasion attempt. I regard this view as militarily sound.

Suppose we do support the Nationalists in a battle with the Chinese Reds over the offshore islands? We then come to this question:

What about Russia? Would the Soviets come to the aid of the Chinese Reds and touch off a third world war?

It is my view—based on the best available information—that Moscow is not ready for war. Nor would the Kremlin look favorably at this time on a wholesale destruction contest involving our superior thermonuclear weapons.

There is further evidence that Moscow is not prepared to back Mao in a shooting war, any more than the Red Army did in Korea. The Soviets, we know, work according to a long-range timetable. They are cunning and realistic in their planning. They may even anticipate an occasional reversal.

Nothing we do to Mao would make the Soviets change this long-range plan. Of all the enemies we have ever faced, this one cares the least about what we say or think or even do. The Kremlin has its own special pattern for our destruction and intends to follow it.

What, then, are the practical steps? What should we do?

We must supply encouragement, training, and all available weapons—including our tactical atomic weapons—to our allies who are struggling against Soviet threats and domination. The place to begin is Formosa with a dedicated leader and a powerful fighting force.

The sabrejets we have just delivered to Chiang should be only the beginning. We should provide him with more planes, more ships, more of our top military instructors, more military supplies and equipment.

We should support the organization of volunteer air units, and equip them with our newest planes—just as we fought the Japanese with the famed Flying Tigers before Pearl Harbor.

At the same time, let us once and for all clear up that confused question of recognizing Communist China. Britain and several other countries have extended diplomatic recognition to the Mao Tse-tung regime.

The United States Government is being urged from various quarters to follow suit.

The surest way to settle this matter is to announce to the world the absolute minimum conditions under which we could recognize the Red regime. Those terms should be:

1. That Mao resign as head of the Government.

2. That the Peiping regime agree to free elections throughout China under international supervision.

3. That the Communists free immediately all United States prisoners and that they may pay in full for the thousands of lives and the billions of dollars damage their volunteers cost us in Korea.

4. That the Chinese Reds turn over to international tribunals all war criminals guilty of atrocities and acts against humanity, particularly in Korea.

Mao obviously would not accept such condition. We should accept nothing less.

On the basis of what we know about him and our experience in Korea, how can we even seriously discuss recognizing Mao and his regime? I say we cannot hope to exist side by side with Mao Tse-tung any more than we can hope to coexist with the men in the Kremlin who plot our destruction.

Now is the time to move in Asia while the Russians are beginning to betray their unrest in Europe. They are afraid of the consolidation of the anti-Communist forces in Western Europe, particularly of a re-armed West Germany.

Now is the time to hasten the destruction of the Communist regime in China—while it is still too weak and internally rotten to rally support.

I am convinced that the fall of Mao would set the pattern for the collapse of other flimsy Communist regimes—in North Korea, Indochina, the Balkans, and the Baltic.

And that would be a signal to the nationalists of India, Indonesia and Burma—once relieved of the threat in their own backyard—to see communism clearly for the facade it is.

The Communist house of cards can collapse all the way back to the Soviet borders, and even within Russia itself.

This is not just wishful thinking. It is feasible and possible, if we recognize our great opportunity and seize it. But if we permit the Communists to gain equality with us, there will be no peace on earth.

In the event, we may find ourselves confronted with the situation described by a retiring American Ambassador who predicted gloomily:

"We will give up our way of life because we will not be willing to destroy the world and the Soviet Union will be willing to destroy it."

I don't buy that. There is still time for us to win without the world being destroyed.

Formosa can be our great opportunity for peace. But we must stop confusing those who sincerely would be our allies. We must recognize them and help them.

We must, above all, lead with strength and determination—not weakness and vacillation.

[From the Baltimore News-Post of
March 30, 1955]

FORMOSA: WAR OR PEACE?—HOWLEY SCORES POLICY ON ASIA

(By Brig. Gen. Frank L. Howley, United States Army, retired, vice chancellor, New York University)

(EDITOR'S NOTE.—This is the third of eight articles by Brig. Gen. Frank L. Howley, former American military governor in Berlin, who has just returned from an intensive observation tour of Formosa and the Far East.)

NEW YORK, March 30.—American Far East policy is thoroughly confusing our Chinese friends on Formosa today.

They cannot understand the conflicting interpretations of the mutual defense treaty recently signed by the United States and Chiang Kai-shek's Nationalist Government.

Can there be such a thing as a limited friendship, they ask?

What do the Americans mean when they say they are friends of the Chinese Nationalists and will help them defend Formosa and the nearby Pescadores, but then take a different view on the Nationalist-held islands off the China mainland?

It is difficult to disagree when the average Chinese reasons that the Americans should be allies 10 miles off the China coast, if they are friends and allies 100 miles away.

After a 6-week observation tour of the area, it is my conclusion that Quemoy, Matsu, and the other Nationalist-held islands nestling against the Red-held mainland are our most valuable pieces of real estate in the Far East today.

I say this for three reasons:

1. These islands enable Chiang Kai-shek's Nationalists to bottle up Mao Tse-tung's Red regime with a clever blockade along 200 miles of strategic seafront.

2. So long as they remain in Nationalist hands, these offshore islands prevent the Communists from ever attempting an amphibious invasion of Formosa.

3. And they offer ready-made stepping stones for Chiang's eventual counteroffensive to liberate his Chinese homeland.

Chiang Kai-shek is right in his determination to keep these islands—with or without the United States. There is no doubt in my mind that they can be held.

They must be of our entire position in Asia will crumble. It is already tottering.

We already have suffered a great blow to prestige and psychological position by talking Chiang into withdrawing from the Tachens and the other islands at the northern end of his offshore lines.

If Quemoy and Matsu and the other islands of this strategic line are now abandoned, we shall confirm Mao Tse-tung's claim that America is nothing more than a "paper dragon."

It is sad but true that our stock is not very high in Asia today. Our words no longer carry much weight. The Communists and the hundreds of millions who want to be on the winning side see us as a nation of strong talk and little action.

All Asia is speculating on just what the Americans mean when they say they are "allies and friends."

Is it any wonder? The Asians have heard us talk loud and all too long about Korea—and with what result? We have accepted one of the greatest insults ever hurled at any nation.

The Asians have watched us accept Communist-drawn lines in Korea and bury our dead. They have seen us agree finally to a status quo, with no punishment for those who subjected us to such international humiliation.

They have heard loud talk about Indochina, and again, when the Communists moved into action, they have seen us renege.

Now they have just witnessed an American-engineered withdrawal from the northern strategic islands held by the Nationalists on the Communist doorstep.

When you read about Quemoy and Matsu, you must remember that these are only two links in a long chain of islands stretching all the way from the mouth of China's most important river—the Yangtze at Shanghai—down to the British crown colony of Hong Kong.

Most of their names are unknown to us. Some of the islands are mere dots from the air, almost within walking distance of the mainland at low tide.

At the northern end of this chain, Toumen, Yikiangshan and the Tachen Islands could have provided an effective blockade of Red China's most important river and its most important port.

So long as these islands were in Nationalist hands, the Reds faced tremendous shipping problems. Even if trade were reopened with Japan, how could the old heavy commercial flow be reestablished through Shanghai?

Now the big port of Shanghai is free to do business with the world.

It is true that these northern islands could not be held by the Nationalists alone. But they could have been held with United States support—with the aid of the powerful United States 7th Fleet and land-based planes.

We control the air and the sea in the Formosa Strait. Without complete control of these, no island can be taken.

But the northern islands are gone—abandoned to the Reds. The question now cen-

ters on the remaining blockade islands, the biggest of which are Quemoy and Matsu.

By holding these islands, the Nationalists still maintain an effective blockade of China's two most important rivers to the south.

The mouth of the Min River is at Foochow, the mouth of the Kiulung at Amoy. Just off Foochow harbor lies Matsu. Just off Amoy is Quemoy.

Quemoy, with its 50,000 Nationalist troops, blocks Amoy's 10,000-ton-ship harbor. What can be said for Quemoy can be said for Matsu at Foochow.

Mao Tse-tung knows that he must get these islands out of his way. They not only constitute a military threat to the mainland, but a heavy economic burden on the Reds.

The China mainland, with its nearly 4 million square miles and its population of 600 million, has only 15,000 miles of railroad. The United States has 226,000 miles.

Despite China's vast territory, larger than the United States, it has almost no modern roads and only 40,000 trucks. By comparison, there are 10 million trucks on the highways of the United States.

To the Reds river and coastal shipping are vital. They must employ water transport if they are to gather strength for future aggression, or if they are to maintain their economy at even a semi-starvation rate.

The Communists are painfully aware of just how much Chiang's island blockade has been hurting.

Amoy often has been mentioned as the likeliest invasion harbor for a Red strike against Formosa. But even this key port has no mainline railroad. It is connected with the interior only by an old highway.

It would not be possible for the Reds to mass troops or invasion craft at Amoy—or anywhere to the north, short of Shanghai—unless they were free to use coastal shipping lanes for a buildup.

A few weeks ago I flew to Quemoy and inspected the fortifications. I had a long talk with the Nationalist commanding general, Liu-Yu Chang. His statements clearly reflected the attitude of the defending troops and the civilian population.

"We will fight for these islands and hold them," he told me. "Even the civil population has taken an oath to stay here and support us. In 1949—the last time the Communists came—17,000 Reds attacked and 17,000 were annihilated."

It is the general opinion—which I support—that Quemoy and the other offshore islands can be held against any Red force—if the Nationalists are given American air support.

Gen. Huang Chih, commander in chief of the Nationalist army, told me that, given United States support, the Nationalists could bury the dreams of Mao Tse-tung on Quemoy, if the Reds ever sought to stage a frontal assault.

Let me put it this way: It is no military secret that amphibious troops are the most highly trained in the world. They are more difficult to develop than ground assault troops.

It is my opinion that if the 250,000 Red troops opposite Quemoy were to attack, they might take the island, as things now stand. But at least half of this force would go to watery graves.

On the other hand, a firm American policy to hold these offshore islands would make it impossible for these Communist troops even to reach Quemoy.

No troops, however well trained, can cross even 2,000 yards of rough water on barn doors, as the Russian hordes crossed the narrow Oder River in Germany.

The place to stop an amphibious operation is before it starts. There are few places in the world today better for using our tactical atomic weapons than on the Red mainland opposite Quemoy.

Here, in this open country, they could be used with devastating effect on purely military targets against an enemy dedicated to our destruction. Here there would be little, if any, danger of injury to civilian populations.

While we confuse our Chinese Nationalist allies with such terms as limited treaty, the Russians are dramatizing themselves on the mainland as the big brother of the Chinese people.

The Soviets see that every slight bit of aid is accompanied by reams of propaganda, though actually they charge Peiping for every item.

While we speak of helping the Nationalists defend Formosa and the Pescadores, the Russians talk boldly and assure the Communist Chinese of unlimited support.

A great propaganda battle is being waged today in this struggle between the legitimate Government of China, that of Chiang Kai-shek, and the illegitimate Government of Mao Tse-tung.

From Quemoy, loudspeakers can be heard on the mainland. And the Reds on the mainland have set up noisemakers to interfere with the messages broadcast from Quemoy.

Fishermen from the mainland meet fishermen from Quemoy and talk as fishermen have done through the ages about conditions at home.

This propaganda battle is all-important to keep alive the liberation hopes of those countless Chinese on the mainland who live for the day the Communist regime will fall.

Untold strength could be given this fight against the Peiping Reds if the United States would announce a sound policy eliminating the confusion and guaranteeing Nationalist control of the offshore islands.

From a military and political viewpoint, the best thing for the future peace of the world might well be a concentrated attack by the forces of Mao Tse-tung against Quemoy—an assault which could be crushed overwhelmingly by Chiang's ground forces with American air support.

Should we abandon Quemoy and Matsu, the way we have the Tachens?

My answer is emphatically no—unless we want to concede final victory in the Far East to Mao Tse-tung and the Communists.

THE GYPSY MOTH CONTROL PROGRAM

Mr. PAYNE. Mr. President, the gypsy moth control program is a part of the overall Department of Agriculture pest-control program. Appropriations for the Federal share of the gypsy moth program are included in the pending bill, H. R. 5239, the Agricultural and Farm Credit Administration appropriation bill for 1956.

I ask unanimous consent to have printed in the body of the CONGRESSIONAL RECORD a brief statement which I have prepared on this matter together with a copy of a resolution adopted by the Regional Coordinating Committee on Gypsy Moth Control of the Council of State Governments at Boston on February 17, 1955; a brief excerpt from the testimony of Frank A. Soraci, Chairman of the National Plant Board, before the Senate Subcommittee on Agricultural Appropriations; and an excerpt from A Report on the Insect and Plant Disease Control Programs of the United States Department of Agriculture.

There being no objection, the statement, resolution, excerpt from testimony, and excerpt from the report were

ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR PAYNE

The gypsy moth, which was introduced accidentally into this country around 1869, has infested most of New England and parts of New York. Outbreaks have been stamped out in New Jersey and Pennsylvania only after strenuous efforts.

Better known in its caterpillar stage, the gypsy moth feeds on oak, poplar, willow, gray birch, apple, and pear trees. Each year the loss, real and aesthetic, to our defoliated timberlands, national forests, game reserves, and private property runs into the millions.

The gypsy moth has grown progressively worse in the infested areas. The threat that the problem will spread into other areas of the country is ever present.

A Department of Agriculture survey has shown that more than 100-million acres of valuable forest growth east of the Mississippi River are highly susceptible to severe damage if invaded by the gypsy moth. That the gypsy moth or its larvae may be carried into distant areas, infesting those areas, is well illustrated by the case in Lansing, Mich., where an outbreak was discovered last year in a residential section of that city.

Fortunately, a concentrated spraying in Lansing practically exterminated the insect. It is expected that follow-up operations in that area this year will completely eliminate this infestation.

This case in Michigan illustrates a point which I would like to develop. It brings out the fact that such concentrated spraying in infested areas can eliminate gypsy moths. Until the present time, the Federal Government has allocated funds on the basis of preventing the disease from spreading from the infested northeastern areas to noninfested areas. This method does not attack the problem at its roots; it is not only a waste of time, but a waste of money. In the light of current facts the present program is neither the soundest nor the least expensive in the long run.

The only sound approach is to institute an eradication program. It has been estimated that such an eradication program, with State and Federal funds combined, would cost about \$25 million spent over a 5-year period. Continuation of the present program at the present level of spending would cost something approaching \$15 million in the next 5 years. And this figure does not include the millions of dollars of damage that would be done to timberlands, national forest reserves, recreational areas, and private property. It is almost impossible to measure the damage that is done yearly by this insect, but during a year when infestation is severe, real and aesthetic damage could run between 10 and 20 million dollars. Aside from feeding on trees and destroying much valuable timber that is essential to the country's economic welfare, the ravagings of this insect also increases forest fire hazards by leaving trees rotted and dead. It also destroys private and resort areas by making them so unsightly that they lose their value.

At the present time, on a preventive basis, the Federal Government is allocating only \$525,800, while the States in the infested areas have allocated some \$2,300,000 to fight the problem internally. As we can see, the Federal allocation is far short of the real financial need if we are to attack the problem realistically. The amount the various States are expending for 1955 is practically the amount they would be expected to share under a 5-year eradication program.

Although less than 2 percent of the United States is in the generally infested area, Federal expenditures to eliminate this nuisance are amply justified on the basis of preventing spread of the gypsy moth to areas not yet infested.

In the interests of long-range economy, the Federal Government should enlist the support of the States concerned in a gypsy moth eradication program rather than continuing the present control program.

RESOLUTION ADOPTED BY THE REGIONAL COORDINATING COMMITTEE ON GYPSY MOTH CONTROL OF THE COUNCIL OF STATE GOVERNMENTS, BOSTON, MASS., FEBRUARY 17, 1955

Whereas of the 130 million acres of land susceptible to gypsy moth infestation only 30 million acres are in the Northeastern States; and

Whereas the infested States of the Northeast in the current fiscal year are expending approximately \$1,350,000 for the control and prevention of spread of the gypsy moth; and

Whereas a special study group appointed by the Secretary of Agriculture in 1950 made an extensive study of the gypsy moth problem and recommended some alternative approaches; and

Whereas the Plant Pest Control Branch of the Agricultural Research Service submitted the alternative of a 7-point program for preventing further spread of the gypsy moth to uninfested areas; and

Whereas the affected States have in large measure assumed their responsibilities under the 7-point program; and

Whereas the funds necessary for the vital portion of the 7-point program which is the responsibility of the Plant Pest Control Branch have not been appropriated: Now, therefore, be it

Resolved by the Regional Coordinating Committee on Gypsy Moth Control, That the Congress of the United States be requested to appropriate such funds as may be necessary for the fiscal year 1955-56 to provide an adequate program for gypsy moth control and eradication; and be it further

Resolved, That in the opinion of this committee, an appropriation of less than a million dollars for the fiscal year 1955-56 would in effect be merely a token toward implementing the necessary program in the gypsy moth barrier zone, and that additional funds spent at the rate of approximately \$1 per acre in such zone are needed to carry out the Federal Government's responsibility to prevent spread of the gypsy moth into susceptible uninfested areas to the south and west; in addition, we urge that an appropriation be made to provide Federal financial assistance for suppressing the gypsy moth in the areas to the east of the barrier zone which already are infested.

BRIEF EXCERPT FROM TESTIMONY OF FRANK A. SORACI, CHAIRMAN OF THE NATIONAL PLANT BOARD, BEFORE THE SENATE SUBCOMMITTEE ON AGRICULTURE OF THE COMMITTEE ON APPROPRIATIONS, APRIL 20, 1955

We would call your attention to serious deficiencies which threaten to cancel out much of the very successful work of past years along the lines of foreign plant quarantines, gypsy moth control, and—for the lack of a better name—emergency outbreaks.

My own State of New Jersey, the Eastern States, and the rest of the 48 States are very much concerned with the spread of the gypsy moth which has occurred in the last 2 years. This insect has, in these 2 years, established beachheads within and beyond a barrier zone, where eradication work has been centered for some 30 years in preventing westward dispersion of the moth. Barrier zone work has had the combined efforts of Federal and State agencies.

A year ago the plant boards asked the Appropriation Committees to consider the appropriation of \$860,000 for gypsy moth control. This amount of money would have afforded treatment of at least 300,000 additional acres in the barrier zone. The money was asked for that purpose. The Congress was generous and we were thankful that at

least the appropriation was not reduced last year. The budget had carried only \$197,200 for this item but the Congress did show its awareness of the need by restoring the program to the 1954 level of \$528,800. The same amount is in the bill for 1956. At least \$1 million is needed for 1956 and that will allow the treatment of only about one-third of the newly infested lands in the barrier zone. The information here presented on this subject has been developed through the work of the Gypsy Moth Coordinating Committee of the Council of State Governments, which reappraised the needs for this program, State by State and federally, just 2 months ago. Senator PAYNE, of Maine, presented a statement on this subject for the New England Senators before this committee on May 5, 1954. He outlined the need for \$861,000 for last year's program. We have been very grateful for the support given by our representatives and hope that necessary appropriations might be made to allow accomplishment of the objectives of this program. Some 3,000 square miles of new territory on the western border of the infestation need treatment within a short period, if this insect is to be confined to the New England States and New York. It should also be stated that there is agreement at the present time that every consideration should be given to a program that might clean out the insect from the infested States. Federal and State financing of such a program, over a period of years, might now be possible with the new and extremely effective insecticides and equipment.

EXCERPT FROM A REPORT ON THE INSECT AND PLANT DISEASE CONTROL PROGRAMS OF THE UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, 1952

GYPSY MOTH

Description and history

The gypsy moth is a small, creamy white insect, which was accidentally introduced into this country in 1869 from southern Europe. The female moth deposits eggs on tree trunks, stones, lumber, or almost any object or debris on the ground. The larvae hatch early in the spring. Federal participation in the control of the gypsy moth began in 1906.

Host

The gypsy moth is a serious pest of forest and shade trees.

Distribution

The gypsy moth is presently confined to New England and eastern New York. As the female moth is unable to fly, natural spread is relatively slow. However, the eggs are deposited on many objects transported by man; thus artificial spread is a constant threat.

Economic importance

Defoliation caused by gypsy moth caterpillars retards growth and weakens the trees. Repeated defoliation injures or kills the trees. If permitted to spread unhampered, the gypsy moth probably would cause serious damage throughout the hardwood area east of the Mississippi River.

Current program

The purpose of the current program is (a) to eradicate the gypsy moth from outlying areas of infestation, (b) to prevent further extension of the generally infested areas which now comprise New England and eastern New York, and (c) to furnish technical assistance to State and local agencies undertaking eradication or suppression of the pest within the generally infested area.

Prevention of spread and control are accomplished by (a) the enforcement of Federal and State quarantines governing the movement of forest products and other commodities likely to carry gypsy moth egg masses to uninfested areas, (b) the application of sprays to eradicate outlying and peri-

pheral infestations, and (c) providing technical assistance to towns or communities within the generally infested area where local eradication is the objective. Systematic surveys are made annually to detect promptly any infestation beyond the quarantine line and to establish limits of areas scheduled for treatment.

Until recent years control methods were costly, but with the development of airplane spraying and more efficient ground equipment, control measures have been greatly improved and the cost of eradication has been reduced to about \$1 per acre.

The application of insecticides by airplanes and new-type mist blowers has eliminated the gypsy moth from more than 368,000 acres in eastern Pennsylvania since 1945. Since 1948, spraying has virtually eliminated the gypsy moth from more than 400,000 acres in eastern New York, and 700,000 acres in southeastern Massachusetts. These States have expended large sums in these control operations.

Appraisal

(a) A majority of the experts who appeared before the study group expressed the opinion that with control methods now available, eradication of the gypsy moth is possible and practicable. Some entomologists support the view that while the population can be reduced considerably to avoid great damage, we must learn to live with the insect. Evidence seems to be adequate, however, including the experience in Pennsylvania, that eradication is possible. This raises a question as to the kind of program that should be conducted.

(b) The present program, in the light of current facts, is not the soundest program nor the least expensive from a longtime standpoint. It would necessitate continued expenditures over a long period of time and would allow damage to continue even though substantial sums are being spent on control measures.

(c) The study group recommends that the entire infested area be treated for eradication in a period not to exceed 5 years. It is estimated that on the basis of present costs such a 5-year program would cost approximately \$25 million, whereas continuation of the present program would cost nearer \$100 million over a period of 50 years. In addition to the lower cost of eradication, continuing losses caused by the moth in the intervening period would be avoided by this plan. The possible limiting factors to this recommendation are funds, insecticides, properly equipped airplanes, available airstrips in the area, and ground work necessary for delineating the areas to be covered. It is estimated that 5 years will be required for proper delineation of the areas. Insecticides, airplanes, and airstrips are or will be available to carry out the project in this time. The provision of adequate funds therefore would make the project possible.

(d) If the 5-year eradication plan is adopted, the costs should be met by about \$15 million from State and local sources and about \$10 million from the Federal Government. The proportion of Federal and State funds should probably not be the same for all States since some States have a far greater interest in eradication than do others, as well as far greater damage in the infested area.

(e) The development of an areawide plan for carrying out control operations is recommended.

(f) An alternative to the program recommended is to limit Federal participation to surveys, Federal quarantine, and technical assistance in districts organized for control purposes and financed by State or local sources. This would mean continuous Federal and State expenditures and damage from the insects. The possibility of spread to include the entire hardwood area east of the Mississippi River would continue.

TRIBUTE TO THE NATIONAL GUARD—EDITORIAL

Mr. WILEY. Mr. President, I want to congratulate the officers and enlisted men of America's National Guard on their splendid performance in the Operation Minute Man test exercise.

I am pleased to say that Wisconsin's own 32d Division responded highly effectively to the statewide test alert. According to Maj. Gen. Jim Dan Hill, able commander of our 32d, some 9,674 officers, warrant officers, and enlisted men reported out of the division's strength of 10,700.

Our National Guard represents, of course, America's alert sentinels of defense and I want to congratulate it on their outstanding achievement throughout the Nation.

I present an editorial from the Janesville (Wis.) Gazette of April 23 on this theme, and ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

GUARD UNITS PROVE READY FOR DUTY

Pride and reassurance came to citizens here and throughout the United States this week in the swift assembly of National Guard units. The test of preparedness was announced weeks ago, but all that was known was that such a test was contemplated. The response to the test alert gave evidence that the citizen soldiers are ready for duty on extremely short notice, and that any emergency will find them at assigned posts with almost no delay.

The Janesville quartermaster company, with some of its personnel enlisted from nearby communities, established the extraordinary record of a 97-percent mobilization, and with two-thirds of its men on duty within an hour. It is expected that this record will considerably exceed the national average when final figures are available.

Whether or not this is true, the 97-percent response is fine evidence of interest of guardsmen and a tribute to officers in charge.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATIONS, 1956

The VICE PRESIDENT. If there be no further morning business, the Chair lays before the Senate the unfinished business, which is H. R. 5239, the agricultural appropriation bill.

The Senate resumed the consideration of the bill (H. R. 5239) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1956, and for other purposes.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. RUSSELL. Mr. President, the unfinished business, the agriculture appropriation bill, is now before the Senate. I ask unanimous consent that the formal

reading of the bill be dispensed with, that the bill be read for amendment, and that the committee amendments be first considered.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. RUSSELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RUSSELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the first committee amendment.

The first amendment of the Committee on Appropriations was, under the heading "Department of Agriculture—Title I—Regular Activities—Agricultural Research Service—Salaries and Expenses," on page 3, line 7, after the word "Stations", to strike out "\$37,000,000" and insert "\$38,000,000."

Mr. RUSSELL. Mr. President, I ask that that amendment be passed over temporarily.

The PRESIDING OFFICER. Without objection, it is so ordered.

The next amendment was, on page 3, in line 8, after the amendment above stated, to strike out the colon and the following proviso:

Provided, That not less than \$200,000 of this appropriation shall be available to conduct a special study of (1) the effect on farm income and the general economy of the United States of acreage reductions imposed on 1954 and 1955 crops, and (2) the most satisfactory solution to this problem, including the encouragement of sound soil-conservation practices upon land diverted from production under such acreage restrictions.

The amendment was agreed to.

The next amendment was, on page 3, line 20, after the word "law", to strike out "\$17,750,000" and insert "\$18,758,700."

Mr. DOUGLAS. Mr. President, do I understand correctly that the amendment now before the Senate is the one relating to the agricultural research program of the Department of Agriculture?

Mr. RUSSELL. As I understand, the amendment relating to agricultural research has been passed over.

Mr. DOUGLAS. If we may return to the consideration of the amendment relating to the agricultural research program, since the action taken on it occurred rather quickly, I should like to ask the distinguished Senator from Georgia if the amendment covers some of the publications in the field of research, as well as the conduct of the research itself?

Mr. RUSSELL. The item covers certain of the publications; it does not affect all of them. It covers the publications in the field of home economics.

Mr. DOUGLAS. Does it cover home economics?

Mr. RUSSELL. It relates to the field of home economics.

Mr. DOUGLAS. May I ask the distinguished Senator from Georgia if I am

correct in my understanding that the Department of Agriculture is now discontinuing research in the field of household equipment and appliances, and also in the field of clothing and textiles? That seems to be indicated by a letter dated February 25, 1955, signed by Mr. B. T. Shaw, addressed to Hazel K. Stiebling, Director of Human Nutrition and Home Economics Research, and published on pages 502 and 503 of the Senate hearings. The letter indicates that those types of research are to be discontinued.

Mr. RUSSELL. There was considerable testimony before the committee as to what the Department official, Mr. Shaw, termed a shift from research in home economics to research in human nutrition. The testimony indicated that the principal emphasis in this field would be on food and nutrition research, but that there would be a severe curtailment of the research in home appliances and, perhaps, in textiles and clothing.

Mr. DOUGLAS. I understand that this curtailment largely grew out of an attack which General Eisenhower made during his campaign against a bulletin which the Department of Agriculture issued on the subject of how to wash dishes. The general, I am told, at various stops in his campaign, would hold up the bulletin and point out to the assembled groups that he regarded it as a waste of funds to publish bulletins on how to wash dishes better. Am I correct in that respect?

Mr. RUSSELL. I am afraid I cannot answer the Senator's question categorically, because it so happened that I did not hear General Eisenhower speak during the presidential campaign. I know that for a long time there have been attacks upon waste in Government incident to the publication of such articles.

I recall that shortly after I became a Member of the Senate a distinguished Senator exhibited a publication by the Government, printed at the expense of the taxpayers, entitled "The Love Life of the Bullfrog." There was considerable amusement at the expense of that publication.

I do not challenge the statement that General Eisenhower used the pamphlet to which the Senator from Illinois refers, but I cannot of my own knowledge affirm or deny it.

Mr. DOUGLAS. I believe that the press accounts of the campaign will indicate that the statement is correct.

Under date of February 25, 1925, Mr. B. T. Shaw, administrator of the Agricultural Research Service, directed a letter to Hazel K. Stiebling, director of human nutrition and home economics research, which contained the following statement:

1. Arrange for the discontinuance of research in the Home Economics Research Branch relating to operating characteristics and performance requirements of commercially produced household equipment and appliances and the preparation of popular and semipopular publications on the selection, care, and use of such goods.

I infer that this directive is the result of the attack which the President made on the dishwashing process. I as-

sume it was discovered that the bulletin was still being produced by the Department of Agriculture, and that it was causing some embarrassment to the administration. Now the embarrassment is to be removed by discontinuing the publication of bulletins on dishwashing.

Does not the Senator from Georgia believe that for the main mass of American farmers, if not for the large contributors to the Republican Party, dishwashing is among the important household activities, and that the saving of the time and labor of housewives is worth while?

Mr. RUSSELL. Of course, anyone who has any knowledge of the primary importance of cleanliness knows that dishwashing is of vital importance to any well-conducted home. I am glad that I have finally reached the age where I cannot be attached by compulsion to anything like dishwashing. There was a time in my life when there was compulsion on me to dry dishes. In a household which varied in number from 12 to 18, it was quite a chore.

There are two chores as to which I am glad I am no longer under compulsion. One is the taking of castor oil; the other is the drying of dishes.

Mr. DOUGLAS. Dishwashing is not an operation which millions of householders enjoy.

Mr. RUSSELL. No.

Mr. DOUGLAS. Bachelors may perhaps be exempt from dishwashing, but not benedicts.

So is it not important that housewives should know about dishwashing equipment, even though it may seem to be unimportant to the large contributors to the campaign funds of the Republican Party?

Mr. RUSSELL. I should think that anything which would lighten the burden of dishwashing, or any other work in the kitchen of the American home, where so many of the housewives of the Nation spend the major portion of their waking hours, would be of tremendous importance.

I am not familiar with the specific publication to which the Senator advert.

Mr. DOUGLAS. Is it not also true that housewives should have information about clothing and textiles, so that they can make garments for their families? Is not this particularly important in the case of low-income families?

Mr. RUSSELL. There was considerable testimony in that field. I might say to the distinguished Senator from Illinois that the distinguished Senator from Mississippi [Mr. STENNIS] has advised me that he intends to propose an amendment relating to that function of the Department of Agriculture. It was for that reason that I requested that this amendment be passed over for the time being.

The Senator from Mississippi proposes, at a slightly later time, to offer an amendment which would, to some extent, cause a revision of the program of the Department of Agriculture Research Service. At least, it would make available some funds for that purpose.

Mr. DOUGLAS. I am glad to learn that the Senator from Mississippi intends to offer such an amendment. I am certain the Senator from Georgia is also aware of some of the other activities of the Research Service of the Agriculture Department. For instance I find in the House hearings, part 2, on page 465, a statement by Dr. Shaw that we have been sponsoring research on the orchids of Guatemala. Does the Senator from Georgia believe that sponsoring research on the orchids of Guatemala would be of great aid to the hard-pressed farm housewives of the United States?

Mr. RUSSELL. Of course, if it comes to competition between research on the orchids of Guatemala and research which would lighten the burdens of the housewife of America, it would be not only political wisdom but also the very natural instinct of every American to favor research which would result in lightening the load on the American housewife.

Mr. DOUGLAS. Is it not extraordinary that an administration which will poke fun at publishing bulletins on kitchen equipment will nevertheless spend money studying the orchids of Guatemala?

Mr. RUSSELL. I am not sure there is provision for a study of the orchids of Guatemala.

Mr. DOUGLAS. Yes, such research has been carried out.

Mr. RUSSELL. If a study is being conducted in that field, I would say I would prefer that work be done in matters which relate to the lightening of the burdens of the housewives of the United States.

Mr. DOUGLAS. On page 465 of the House hearings, part 2, the Senator from Georgia will find a statement that such a project has been sponsored, as well as a project on "flora of Dominica." The word "flora" is a fancy word for "flowers." "Dominica" means an island in the Caribbean, one of the Antilles.

So here we see an administration which is so solicitous of protecting the taxpayers' money that it does not permit research in the field of textiles from which clothing is made, or in the field of dishwashing appliances or household equipment, and yet sponsors research of orchids in Guatemala and flowers in Dominica. Does the Senator believe that fact indicates a certain bias on the part of the administration and a disposition to believe that it is important for the wealthy to wear orchids, but not important for the housewives to have better dishwashing machines?

Mr. YOUNG. Mr. President—

The PRESIDING OFFICER (Mr. McNAMARA in the chair). Does the Senator from Georgia yield to the Senator from North Dakota?

Mr. RUSSELL. I yield to the Senator from North Dakota.

Mr. YOUNG. Is not the type of research to be conducted by the Department of Agriculture determined by advisory committees, who make their recommendations to the Secretary of Agriculture? Entirely aside from any political considerations which the Senator from Illinois seems to indicate, the research of the Department of Agriculture

is conducted entirely because of the recommendations of the various committees, and I think they are good committees, appointed on a bipartisan basis.

Mr. DOUGLAS. That may be, but the stand taken by General Eisenhower, now President, about the study of dishwashing certainly had some effect on the committees and the Department. It will be noticed that by order of the administrator, all research in respect to household equipment, and research having to do with the use of garments and making clothing, was discontinued; but research in the field of orchids was highly desirable. Does it not indicate a rather poor sense of values to say that we should spend money on the study of orchids, but not on research with respect to dishwashers? Is not this one of the manifestations of the so-called trickle-down theory of prosperity—that if the wearers of orchids are enabled to have more beautiful blooms, we will not need to worry about housewives on farms in North Dakota or Illinois or anywhere else in the country who have to wash dishes and make clothes for their children because of the low prices of farm products?

Mr. YOUNG. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. YOUNG. Is there not a vast amount of information available to every housewife from producers of electrical equipment, including dishwashers? Housewives can get all the information they want merely by going to the corner store.

Mr. DOUGLAS. It is much better to get such information from official sources than from commercial producers.

Mr. President, the Senate is not now considering the bill relating to the Interior Department, but I am told the Interior Department is conducting a research on oysters. For example, it has a project on how to shuck oysters without losing the juice. It will be very interesting to see that publication when it is issued under the auspices of the Department of the Interior, and I hope the administration will be as zealous in protecting the taxpayers from waste of public funds on such matters as they have been zealous in trying to deprive the housewives, and particularly farm housewives, of information on textiles, clothing, and household equipment.

Mr. President, I should like to ask the Senator from Georgia if he has studied some of the bulletins of the Bureau of Human Nutrition and Home Economics of the Department of Agriculture.

Mr. RUSSELL. Mr. President, I must confess that my study in that field has been somewhat limited. I have not made any intensive investigation of the bulletins issued by the Department of Agriculture, and I might say that is particularly true of the field of home economics. I have had occasion to look into some of the bulletins which have to do with production of crops and conservation of soil and water, and matters of that kind; but my study in the field of home economics has been rather limited.

Mr. DOUGLAS. I may say to my good friend from Georgia that, as he probably knows, I have been very critical of the failure of the administration to deal with the problems of distressed areas in this country; the distressed areas in the State of Maine, for example, a State so well represented in part, by the present acting minority leader, the junior Senator from Maine [Mr. PAYNE] the distressed areas in New Hampshire, Massachusetts, Rhode Island, and Connecticut, the distressed areas in Pennsylvania, West Virginia, Kentucky, Illinois, and Alabama, and the drought-ridden areas of the Southwest. I have been very critical of the attitude of the administration and its failure to provide adequate relief for such areas. But the administration has taken one step to help the people, which I think should be mentioned, because I hold in my hand a bulletin issued by the Bureau of Human Nutrition and Home Economics, which is entitled "Ways To Cook Rabbit."

I think this bulletin will be of real assistance to the people of the regions I have mentioned. For instance, the bulletin contains a number of recipes for cooking rabbit, and I am sure people living in the areas I have indicated will be greatly aided by the knowledge that they can cook rabbits in the ways set forth.

For instance, there is a recipe for rabbit a-la-king. There are also recipes as follows: Rabbit baked hash; braised rabbit, with gravy; browned rabbit; chop suey rabbit; creamed rabbit; creole rabbit; curried rabbit; rabbit fricassee with vegetables; fried rabbit; and this will particularly appeal to the German-American farmers—rabbit hassenpfeffer. There are also recipes for rabbit in barbecue sauce; rabbit pie; rabbit-ham croquettes; rabbit salad; rabbit salad loaf; rabbit sandwich spread; stewed rabbit; sweet-sour rabbit; and rabbit with dumplings.

Does not the Senator from Georgia feel this is a magnificent effort by the administration to assist in solving the problems of distressed areas, so that when other forms of support disappear, the people in those areas can go forth and catch rabbits and have the aid of this bulletin, which teaches them how to cook rabbit?

Mr. RUSSELL. I hope nobody will prevent the publication of this bulletin. I had a friend in Georgia who told me once the way he knew the last Republican administration that was in charge of the Government of the United States had been superseded was that he saw a rabbit run across his field without two men chasing it. I hope the bulletin is not prophetic, and that there will not develop such a situation that we will see two men running after a rabbit in order to catch it so they can take something home to eat.

Mr. DOUGLAS. I am told that in sections of southern Illinois the number of people chasing rabbits is so greatly in excess of the number of rabbits that this bulletin is not of much help. Perhaps the bureau should issue another bulletin telling people how to catch rabbits or how to raise rabbits so that they may

have a sufficient supply of rabbits to cook.

Mr. RUSSELL. It seems to me an appropriate bulletin would be one on how to catch rabbits.

Mr. DOUGLAS. Does this remind the Senator of the alleged comment by Marie Antoinette, at the time of the French Revolution, when she was told that the populace of Paris could not find bread to eat? She is alleged to have replied, "Then let them eat cake"; or I believe the phrase actually used by her was "brioche"—"Let them eat brioche."

Does the Senator believe that the administration is now saying to the people, "Let them eat rabbit"? or "Let them wear orchids."

Mr. PAYNE. Mr. President, will the Senator from Georgia yield to me, so that I may ask a question of the Senator from Illinois?

Mr. RUSSELL. I am glad to yield for that purpose, if consent may be had.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. PAYNE. Let me inquire of the Senator from Illinois, who at one time had his roots grounded in the State of Maine, whether he would clarify his statement relative to the administration's not caring for distress in Maine. Would he care to elaborate on that point?

Mr. DOUGLAS. Does the Senator from Maine deny that there is distress in Maine?

Mr. PAYNE. Would the Senator from Illinois state there has never been distress anywhere else in the Nation?

Mr. DOUGLAS. Oh, there is distress in many portions of the country, there are many distressed areas.

Mr. PAYNE. Would it perhaps be possible for the Senator from Illinois to pinpoint the distressed area in Maine a little more definitely, and also to clarify his statement about failure on the part of the administration to recognize it?

Mr. DOUGLAS. I am informed that textile mills are closing in Sanford and Biddeford.

Mr. PAYNE. Is the situation any different now from what it was in 1949 and 1950?

Mr. DOUGLAS. Conditions are not improving and are in fact growing worse.

Furthermore, the woolen mills along the smaller streams are being closed; and there is great distress in Washington County, where the people used to make their living from blueberries and fish. I am informed that the Portland area has moved from class 3 to class 4-A in unemployment.

I am not saying the administration is to blame for what is happening. I simply say that it has failed to take action to help the distressed areas all over the country; and I was commending the administration for at least trying to inform the people how to cook rabbit. I thought that was a very interesting step.

Mr. PAYNE. Mr. President, if the Senator from Georgia will yield and permit me to make an observation, let me say that the studies conducted by many of the leading publications relative to the status of the Nation today, financially

and otherwise, in connection with its productivity and in connection with the earnings of the people including all segments of the population, disclose that not only is the economy at a very high level today, perhaps higher than any other record has ever shown, but, also, that the forecasts made by various individuals indicate that it will go even higher in 1956.

The distinguished Senator from Illinois has referred to blueberries in Washington County. I am sure he knows that the Washington County area, in Maine, produces somewhat in excess of 92 percent, if my information is correct, of all the blueberries consumed in the Nation. I am sure that industry, according to the last report, is in excellent condition, although, of course, it is affected by growing conditions, as is true in the case of every other agricultural commodity or product.

Mr. DOUGLAS. What about the potato growers of Aroostook County?

Mr. PAYNE. I may say that, as was stated recently by the newspapers, the potato market has come back very favorably.

Mr. DOUGLAS. After 2 bad years.

Mr. PAYNE. Yes, after 2 bad years; but other factors enter into that situation.

I may say that in this administration, great attention has been given to research.

Mr. DOUGLAS. Research in orchids, but not research in dishwashing.

Mr. PAYNE. And the administration has done many other things which have been very helpful to various areas.

Mr. STENNIS. Mr. President, will the Senator from Georgia yield to me for a moment?

Mr. RUSSELL. I am glad to yield to the Senator from Mississippi.

Mr. STENNIS. While the Senator from Maine is referring to blueberries, he should not overlook the recent freeze which has had so disastrous an effect upon agricultural conditions in the South.

Mr. PAYNE. Yes; and I feel very bad about that situation, and I know it has had a severe effect upon agricultural commodity prices. But I believe that the Agricultural Marketing Service, in its studies of marketing methods, has been very helpful to the agricultural industry generally.

Mr. DOUGLAS. Mr. President, I do not wish to prolong the discussion unduly; and we have maintained it on such a light note that I do not wish to depress it unduly.

Let me say, in reply to the Senator from Maine, that although production has risen in the past few months, and we are now only a few points under the peak, employment has not made such a satisfactory comeback. The last reports of the Bureau of the Census indicate that in March there were approximately 3¼ million persons completely unemployed, and that, in addition, there were many hundreds of thousands who were on involuntary part-time employment. It would seem that there were the equivalent of 4 million persons unemployed,

or approximately 6½ percent of the working force.

I am not indifferent to that situation, particularly since it has continued for approximately 15 months; and I believe that the administration should pay some attention to the distressed areas. I believe that the distressed areas cannot be "swept under the rug" and disregarded. Instead, I believe that a bold program of dealing with distressed areas is at least as necessary as a program to help the undeveloped countries of the world.

Mr. PAYNE. Mr. President, if the Senator from Georgia will yield once more, to permit me to make an additional observation, let me say that I am sure the Senator from Illinois will have to agree that even though all Members of the Senate do not like to see any unemployment exist, the unemployment that has been referred to is no greater than that which occurred in the postwar period, after World War II.

Mr. DOUGLAS. But we made a very good recovery following World War II.

Mr. PAYNE. After how many months?

Mr. DOUGLAS. We made a very quick recovery; and the recession of 1949 was not of such long duration as was the other recession we had. Now there is a come-back of production; but the point is that there is not a come-back of employment to the same degree; and some attention should be given to that situation.

I do not think that a bulletin on Ways To Cook Rabbit is an adequate way to deal with this issue, although I suppose we should be thankful for all small favors.

Mr. YOUNG. Mr. President, I wish to make a brief statement in support of this appropriation bill.

The junior Senator from Georgia [Mr. RUSSELL] has done his usual excellent job in handling the bill. He has dealt very fairly with agricultural appropriations as he always has during the past more than 20 years that he has had charge of this bill, except for 4 years when Republicans were in charge. I think the appropriations provided by this bill are fair to agriculture.

For the fiscal year 1954, the total loan authorizations for the REA, plus carryovers and rescissions of prior-year loans less next year's carryover amounted to \$167,104,100.

For the fiscal year 1955, the total of loan authorizations, carryovers, and rescissions less next year's carryover was \$165 million.

For the fiscal year 1956, under this bill, there will be \$185 million for loan requirements. That compares very favorably with appropriations by the Republican Congress during the past 2 years. In fact, as I recall, in the past 2 years we increased the appropriations for both REA and RTA over those of the previous 2-year period. In addition, very liberal sums have been allowed for contingency loans under the REA program.

Mr. President, I ask unanimous consent to have printed in the RECORD at

the close of my remarks a table which I hold in my hand showing rural electrification loans for 1954, 1955, and 1956; rural telephone loans during the same

years; and certain figures relative to the school-lunch and research programs.

There being no objection, the table was ordered to be printed in the RECORD.

Rural electrification loans

	1954	1955	1956 estimate
Loan authorization.....	\$173,000,000	\$135,000,000	\$160,000,000
Carryover from prior year.....	29,919,203	46,996,190	21,096,190
Rescissions of prior-year loans.....	11,181,087	4,100,000	4,000,000
Amount available for loans.....	214,100,290	186,096,190	185,096,190
Carryover into subsequent year.....	-46,996,190	-21,096,190	-96,190
Loan requirements.....	167,104,100	165,000,000	185,000,000

CONTINGENCY OR RESERVE AUTHORIZATION

The 1954 loan authorization includes \$38 million utilized out of \$45 million provided in the bill.

Thirty-five-million-dollar reserve is provided in addition to \$135 million for the regular program, for 1955.

For 1956, \$35 million reserve was estimated, with language making available only if allotment formulas are not repealed. House bill provides \$100 million reserve in addition to \$160 million for the regular program for 1956, without the repeal provision. The Senate approved this amount.

Rural telephone loans

	1954	1955	1956 estimate
Loan authorization.....	\$67,500,000	\$75,000,000	\$70,000,000
Carryover from prior years.....	7,092,500	8,158,176	10,158,176
Rescissions of prior-year loans.....	8,277,676	2,000,000	-----
Amount available for loans.....	82,870,176	85,158,176	80,158,176
Carryover into subsequent year.....	-8,158,176	-10,158,176	-158,176
Loan requirements.....	74,712,000	75,000,000	80,000,000

(House bill added \$5 million, so the authorization in the bill is \$75 million, and the program for 1956 will have \$85 million available.)

SCHOOL LUNCH

1952, 1953, 1954, and 1955 were appropriated at \$83,236,197. Budget estimate for 1956 proposed \$68 million, the decrease of \$15,236,197 being the elimination of local purchases of commodities under section 6, based on increasing commodities under section 32 and section 416 from \$79 million to \$102 million and having \$49,500,000 available in the special milk program. House provided same as previous years, \$83,236,197.

RESEARCH

Estimates for 1956 proposed increase from \$35,822,000 to \$37,684,000. House allowed \$37 million. Senate recommends \$38 million.

Mr. YOUNG. For the rural telephone program there was available in the fiscal year 1954, under loan authorizations, carryover, and rescissions less next year's carryover, a total of \$74,712,000. That was the total amount available for the rural telephone program in the fiscal year 1954. In the fiscal year 1955 there was available \$75 million; and for the fiscal year 1956 there was estimated an authorization of \$80 million, which the House increased to \$85 million, as provided in the bill.

For the school lunch program, we appropriated exactly the same amount for the fiscal years 1952, 1953, 1954, and 1955 as it is proposed to appropriate under this heading in the bill, that is, \$83,236,197.

Under the head of agricultural research the estimate for the fiscal year 1956 was \$37,684,000 compared to the 1955 figure of \$35,822,000. The House

provided \$37 million and the Senate committee increased this sum to \$38 million. That, I think, represents a very good sum of money for agricultural research.

The Bureau of the Budget estimate for the soil conservation payment program was \$175 million. The House increased this to \$250 million, and this action was sustained by the Subcommittee of the Senate Committee on Appropriations, as well as by the full committee.

Mr. President, I think the Agricultural appropriation bill which is now before the Senate is a fair bill, and that it should be approved by the Senate.

The PRESIDING OFFICER. The question is on agreeing to the third committee amendment, on page 3, line 20.

Mr. RUSSELL. Mr. President, before the question is put on this amendment, I wish to thank the distinguished Senator from North Dakota [Mr. YOUNG] for his kind of references to me. I have had the privilege of serving with him on the subcommittee as the ranking minority member when he was chairman. I am more than delighted to serve with him when I am chairman and he is the ranking minority member. Whatever be our respective positions, we have usually been in agreement in our views as to what was the best thing to be done to serve the interests of the most underprivileged group in America, namely, the farmers.

The PRESIDING OFFICER. The question is on agreeing to the third committee amendment, on page 3, line 20.

The amendment was agreed to.

The next amendment was, under the subhead "Federal Extension Service," on page 8, line 16, after the word "agents", to strike out "\$1,500,000" and insert "\$1,800,000."

The amendment was agreed to.

The next amendment was, under the subhead "Soil Conservation Service—Conservation Operations," on page 9, line 7, after the word "employees", to strike out "\$58,612,579" and insert "\$60,000,000."

The amendment was agreed to.

The next amendment was, under the subhead "Agricultural Conservation Program Service," on page 12, line 21, after the word "exceed", to strike out "\$22,500,000" and insert "\$23,000,000"; on page 13, line 1, after the word "than", to strike out "\$4,020,000" and insert "\$4,520,000"; in line 4, after the numerals "1938", to insert "and for the 1956 program an amount not to exceed 5 percent of the amount of funds available for payments under the 1956 program for the State shall be available for transfer to any Federal, State, or local public agency for services of technicians in formulating and carrying out the agricultural conservation program, but such use of these funds may be made only on the recommendation of the county committee and approval by the State committee"; and on page 15, line 5, after the word "States", to strike out the colon and the following additional proviso: "Provided further, That not to exceed 5 percent of the allocation for the 1956 agricultural conservation program for any county may, on the recommendation of such county committee and approval of the State committee, be withheld and allotted to the Soil Conservation Service for services of its technicians in formulating and carrying out the agricultural conservation program in the participating counties, and the funds so allotted may be placed in a single account for each State, and shall not be utilized by the Soil Conservation Service for any purpose other than technical and other assistance in such counties."

The amendment was agreed to.

The next amendment was, under the subhead "Agricultural Marketing Service—Marketing Research and Service," on page 17, line 20, after the word "estimates", to strike out "\$10,981,000" and insert "\$11,096,000"; and in the same line, after the amendment just above stated, to strike out the colon and the following proviso: "Provided, That not less than \$1,000,000 of the funds contained in this appropriation shall be available to gather statistics and conduct a special study on the price spread between the farmer and the consumer."

The amendment was agreed to.

The next amendment was, on page 18, line 11, after the word "States", to strike out "\$11,810,000" and insert "\$12,010,000."

The amendment was agreed to.

The next amendment was, under the subhead "Foreign Agricultural Service," on page 19, line 16, after the figures "\$3,365,000", to strike out the colon and the following proviso: "Provided, That not less than \$500,000 of the funds contained in this appropriation shall be

available to obtain statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis."

The amendment was agreed to.

The next amendment was, under the subhead "Commodity Stabilization Service—Agricultural Adjustment Programs," on page 20, line 11, after the word "than", to strike out "5,500,000" and insert "\$6,165,000."

The amendment was agreed to.

The next amendment was, under the subhead "Sugar Act Program," on page 20, line 21, after the word "exceed", to strike out "\$1,440,000" and insert "\$1,617,000."

The amendment was agreed to.

The next amendment was, under the subhead "Farmers' Home Administration," on page 22, line 11, after the word "amended", to strike out "(16 U. S. C. 590r-590x, 590z-5)" and insert "(16 U. S. C. 590r-590x-3)."

The amendment was agreed to.

The next amendment was, under the subhead "Salaries and Expenses," on page 24, line 4, after the word "exceed", to strike out "\$400,000" and insert "\$500,000"; and in line 7, after the word "amended", to insert "(7 U. S. C. 1005 (b)), and section 10 (c) of the act of August 28, 1937, as amended."

The amendment was agreed to.

The next amendment was, under the subhead "Office of the General Counsel," on page 24, line 12, after the word "service", to strike out "\$2,079,000" and insert "\$2,164,000"; and in line 16, after the word "of", to strike out "\$300,000" and insert "\$375,000."

The amendment was agreed to.

The next amendment was, under the subhead "Office of the Secretary," on page 25, line 3, after the word "Agriculture", to strike out "\$2,116,000" and insert "\$2,172,600."

The amendment was agreed to.

The next amendment was, under the heading "Title II—Corporations—Commodity Credit Corporation—Limitation on Administrative Expenses," on page 27, line 24, after the word "Corporation," to strike out the colon and the following additional proviso: "Provided further, That \$2 million of this authorization shall be available only to expand and strengthen the sales program of the Corporation pursuant to authority contained in the Corporation's charter"; and on page 28, line 3, after the amendment just above stated, to insert a colon and the following additional proviso: "Provided further, That \$934,914 of this authorization shall be placed in reserve to be apportioned pursuant to section 3679 of the Revised Statutes, as amended, for use only in such amounts and at such time as may become necessary to carry out program operations."

The amendment was agreed to.

The next amendment was, under heading "Title III—Special Activities—Reimbursement to Commodity Credit Corporation for Transfer of Wheat to Pakistan," on page 29, line 24, after "(67 Stat. 80)", to strike out "\$69,273,881" and insert "\$69,385,831."

The amendment was agreed to.

The next amendment was, under the subhead "Reimbursement to Commodity Credit Corporation for Emergency Famine Relief to Friendly Peoples," on page 30, line 14, to strike out "\$9,676,628" and insert "\$9,545,830."

The amendment was agreed to.

The next amendment was, under the heading "Title V—General Provisions," on page 34, line 2, after the word "cotton," to insert "or applies."

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments, with the exception of the one passed over, which is the first amendment on page 3, line 7, which will be stated.

The LEGISLATIVE CLERK. On page 3, line 7, after the word "Stations," it is proposed to strike out "\$37,000,000" and insert "\$38,000,000."

Mr. STENNIS. Mr. President, I offer the amendment to the committee amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Mississippi to the committee amendment will be stated.

The LEGISLATIVE CLERK. In lieu of the sum proposed to be inserted by the Committee on Appropriations, it is proposed to insert "\$38,040,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Mississippi to the committee amendment.

Mr. RUSSELL. Mr. President, the Senator from Mississippi has discussed this amendment with me. It grows out of concern over the operations of the Research Administration in the field of home economics, other than home nutrition. Reference was made to that subject earlier in the day by the Senator from Illinois [Mr. DOUGLAS].

As I understand, the purpose of the amendment offered by the Senator from Mississippi is to provide some additional funds so that it will not be necessary entirely to discontinue research in the field of home appliances and in textiles and clothing.

In view of the very general interest in that field of research throughout the entire United States, I shall be glad to take the Senator's amendment to conference.

The PRESIDING OFFICER. Without objection, the amendment offered by the Senator from Mississippi to the committee amendment is agreed to.

Mr. STENNIS. Mr. President, this amendment adds a very modest sum to the amount of the appropriation. Transfers of \$242,000 were proposed in the budget estimates, and an additional shift of \$146,000 is proposed by the Department. The net result would be that only \$196,000 would be available for home-economics research, instead of \$584,000 previously provided, or a reduction of \$388,000.

The table on page 235 of the Senate hearings sets out the allocations of these funds in detail. I shall ask later that this table be inserted in the RECORD as a part of my remarks.

While there is no comment in the Senate report as to this situation, there is a statement in the House report, on page 12, reading as follows:

The recent action deemphasizing home-economics research should also be given further consideration by the Department. Testimony from persons engaged in home demonstration work with farm families indicates that some part of the funds provided this bureau should be used on such projects as "household foods consumption" and "family budgets and expenditures," within funds provided in the appropriation for 1956. According to information presented to the committee, six of the bulletins most frequently used by homemakers of the country are on these subjects. The units of the Department engaged in such research appear to be the chief source of bulletins and other material of this type.

The Department proposes to discontinue the following projects now doing such effective work in home economics research: Household food consumption, family budgets and expenditures, household buying, use and care, and housing and household equipment. This proposal is set out in an administrative memorandum dated February 25, 1955 and supplements thereto. I shall ask later that it be printed in the RECORD as a part of my remarks.

In the hearings before our subcommittee, the Director of Agricultural Research ably defended his directive on the basis that booklets and pamphlets published and relied upon for guidance by housewives and homemakers would continue to be available, and be reprinted if demand continued for them. He also stated that private consumer research organizations were able to take over the research and testing of many items. He also brought out that the shifts to nutritional research involved the effects of diet upon the heart, arteries, the liver and kidneys, which may cause breakdowns in the health of middle-aged persons.

Mr. President, I agree fully with the Department as to the need for undertaking research on these important factors and their effects on human living and the prolongation of life. But I cannot agree that they should be undertaken at the expense of research which is equally important to home and farm living.

In offering this amendment, Mr. President, I recommend that the Department establish an advisory committee on home economics research, in order to obtain the advice and counsel of qualified persons who are best able to ascertain the requirements for home economics research, and to what extent it should be undertaken by the Federal Government in order to continue the availability of homemaking publications for the housewives and rural farm families of America. I am confident that if the Secretary of Agriculture will utilize an advisory committee on home economics research, he will receive sound advice and will be in a better position to recommend to the Congress the funds needed to carry out effective research in both home economics and human nutrition. I am in-

formed that to this date the Secretary has not sought the advice of an advisory group on home economics research, although he has full authorization for setting up such advisory groups and he has established some 25 advisory groups to consult and advise with him on many other phases of research.

Mr. President, I recommend that other Members of the Senate support my amendment, in order that the publications on home economics may be continued at the present rate, until the Secretary of Agriculture has sought and secured the advice of an advisory group competent to present to him the needs of homemakers, and that based upon that advice he should then direct changes in the program in order to properly balance these two great branches of research. In the meantime, this small amount of \$40,000 could serve to continue the publications that are proposed to be discontinued.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks certain excerpts from the hearings on the bill, beginning on page 233 and ending on page 238, as marked, containing the tables and other materials to which I have referred.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

UNITED STATES
DEPARTMENT OF AGRICULTURE,
AGRICULTURAL RESEARCH SERVICE,
OFFICE OF ADMINISTRATOR,
February 25, 1955.

To: Hazel K. Stiebeling, Director, Human Nutrition and Home Economics Research.
From: B. T. Shaw, Administrator.
Subject: Redirection of research in human nutrition and home economics.

My responsibilities as Administrator of the Agricultural Research Service involve a continuing appraisal and evaluation of our program in order to determine whether our resources are being used for the most pressing national problems facing the Department.

After long and careful consideration I have come to the conclusion that in the area of your responsibility we should concentrate increasingly on problems of food and human nutrition. Such research is of obvious importance both to agriculture and to the general public, and the Department has been under steadily increasing pressure to contribute more largely to the solution of national problems in this field. Financial considerations make it impossible to do this and at the same time continue work in all other phases of home economics research now underway.

In consequence, I am asking you to proceed at once to shift the emphasis in research in human nutrition and home economics so as to strengthen our program in food and nutrition. I suggest that you take the following actions in implementing this request:

1. Arrange for the discontinuance of research in the Home Economics Research Branch relating to operating characteristics and performance requirements of commercially produced household equipment and appliances and the preparation of popular semipopular publications on the selection, care, and use of such goods.

2. Arrange for the discontinuance of research in the Home Economics Research Branch relating to selection, design, construction, maintenance, and household reconstruction of clothing and household tex-

tile articles, and the preparation of popular and semipopular publications on these subjects.

3. Existing line projects in the areas described in (1) and (2) above should be brought to a conclusion as rapidly as feasible and results summarized. Please inform me of the funds that would be released in the fiscal year 1956 by the discontinuance of these projects, and list the staff that would be qualified for transfer to the Human Nutrition Research Branch.

By administrative action (Administrative Memorandum No. 101.1, supplement No. 29), research in the Home Economics Research Branch relating to food economics and to family economics and management has been transferred to the Human Nutrition Research Branch. This transferred research should be closely integrated with other work of the Branch.

Research to be continued in the Home Economics Research Branch includes work on farm housing and on the properties of fabrics in relation to serviceability for use as clothing and household textiles.

Research to be continued and strengthened in the Human Nutrition Research Branch is on the relative utility and economy of foods for nutrition, and includes investigations into the composition and nutritive value of foods, human food and nutritional requirements, food consumption of individuals and households in relation to nutrition and as affected by economic conditions and other factors, food quality, home food preparation and preservation, and problems of food use in relation to household management.

B. T. SHAW.

UNITED STATES
DEPARTMENT OF AGRICULTURE,
AGRICULTURAL RESEARCH SERVICE,
Washington, D. C., February 25, 1955.
ADMINISTRATIVE MEMORANDUM No. 101.1,
SUPPLEMENT No. 29

To: All divisions and branches.
From: B. T. Shaw, Administrator.
Subject: Organizational realignment of research in human nutrition and home economics.

I. PURPOSE

This AM transfers certain of the functions, activities, personnel, property, and funds of the Home Economics Research Branch to the Human Nutrition Research Branch.

The provisions of AM 101.1 IV B 4 (December 28, 1953), AM 101.1, Supplement No. 20 (October 11, 1954), and AM 101.1, Supplement No. 21 (October 11, 1954) are modified in accordance with this AM.

II. EFFECTIVE DATE

The provisions of this AM are effective as of the close of business February 26, 1955.

III. TRANSFER OF FUNCTIONS

The functions and activities of the Home Economics Research Branch relating to food economics research and family economics and management research are transferred to the Human Nutrition Research Branch.

IV. TRANSFER OF PERSONNEL, PROPERTY, AND FUNDS

Such of the personnel, property, and funds associated with the functions and activities identified in III above as may be authorized by appropriate administrative action are transferred from the Home Economics Research Branch to the Human Nutrition Research Branch. The official headquarters of all personnel affected by this AM remain unchanged.

V. CONTINUATION OF SERVICES

All officers and employees now performing or authorized herein to perform any of the functions affected by this action shall continue to perform such functions and to

exercise in connection therewith existing delegations until directed otherwise pursuant to the authority of this AM. All regulations, orders, and similar instruments heretofore issued by any officer of the Department of

Agriculture relating to the functions affected by this AM shall continue in full force and effect, unless and until withdrawn or superseded by instruments of like authority.

B. T. SHAW.

United States Department of Agriculture, Agricultural Research Service—Proposed redirection of research in human nutrition and home economics

	July 1, 1954, program	Transfers reflected in 1955 budget	1956 budget estimates	Additional program shifts proposed	Program as of end of fiscal year 1956
HUMAN NUTRITION RESEARCH					
Food quality and use.....	\$173,000		\$173,000	+\$27,000	\$200,000
Nutrients in food (food analysis).....	262,000		262,000	+48,000	310,000
Human requirements.....	167,000		167,000	+33,000	200,000
Utility of foods for nutrition.....	602,000		602,000	+108,000	710,000
Diet appraisal.....	240,000		240,000		240,000
Household food consumption.....		+\$117,000	117,000	+38,000	155,000
Food in relation to household management.....		+125,000	125,000		125,000
Food management.....	240,000	+242,000	482,000	+38,000	520,000
Total, human nutrition research.....	842,000	+242,000	1,084,000	+146,000	1,230,000
HOME ECONOMICS RESEARCH					
Household food consumption.....	117,000	-117,000			
Family budgets and expenditures.....	125,000	-125,000			
Economic studies.....	242,000	-242,000			
Household buying, use, and care.....	88,000		88,000	-88,000	
Fabric quality.....	115,000		115,000		115,000
Textiles and clothing.....	203,000		203,000	-88,000	115,000
Household equipment.....	58,000		58,000	-58,000	
Housing.....	81,000		81,000		81,000
Housing and household equipment.....	139,000		139,000	-58,000	81,000
Total, home economics research.....	584,000	-242,000	342,000	-146,000	196,000
Total, human nutrition and home economics research.....	1,426,000		1,426,000		1,426,000

UNITED STATES
DEPARTMENT OF AGRICULTURE,
AGRICULTURAL RESEARCH SERVICE,
OFFICE OF ADMINISTRATOR,
February 25, 1955.

THE REDIRECTED PROGRAM IN HUMAN NUTRITION AND HOME ECONOMICS RESEARCH

The needs of agriculture and the general public for a strengthened program of food and nutrition research has made necessary some changes in the Department's program of research in human nutrition and home economics. This statement describes the redirected program.

Food and nutrition research will continue to include investigations into the composition and nutritive value of food; human nutritional requirements and the body's response to nutrients, foods, and diets when consumed in varying amounts and proportions; levels of food consumption of individuals and households; the nutritive value of customary diets of selected groups; diet in relation to nutritional state; table quality of food; principles and methods for household processing and storage; and the effective and economical use of food and other family resources for higher levels of living.

Some phases of food and nutrition research will be strengthened. These will be nutritional values of food, human nutritional requirements, consumption of food, and food quality and use, as recommended by research advisory committees.

Studies of the economic problems of rural families will continue. This work, associated with research in food and nutrition, recognizes that management of food on the farm is tied to the family's budgeting of money and time for all needs. These studies will provide periodic reports on the situation and outlook for rural family living and information needed in the farm-home unit program of the Extension Service.

Housing research will be continued to make possible the development of improved

designs for kitchens and farmhouses that provide for efficiency in household operation, for livability, and for economy of construction. Plans and working drawings for farm housing will be developed in cooperation with other research groups and issued through regional plan services.

Textile research on fabric quality will continue. Laboratory studies will be made of fabrics to determine their chemical and physical properties. Serviceability under controlled conditions of actual use will be determined for garments and finished articles made from these fabrics. The results of laboratory and serviceability studies will be correlated in order to learn why fabrics behave as they do in wear, and to develop more satisfactory means for predicting their usefulness for specific purposes.

Household equipment research and research on selection, design, construction and maintenance of clothing and household textile articles will be discontinued in an orderly manner before July 1, 1956.

Publications. Results of research will be reported in Government publications and professional and trade journals. Interpretative material and fact sheets will be developed for Extension workers, teachers, and other educational groups.

B. T. SHAW,
Administrator.

UNITED STATES
DEPARTMENT OF AGRICULTURE,
AGRICULTURAL RESEARCH SERVICE,
OFFICE OF ADMINISTRATOR,
March 31, 1955.

REDIRECTED PROGRAM OF RESEARCH IN HUMAN NUTRITION AND HOME ECONOMICS
(Supplement to February 25, 1955, statement)

This statement has been prepared to answer some of the questions recently raised regarding the redirected program in human

nutrition and home economics research described last month.

Research on economic problems of rural families, on housing, and on fabric quality as well as on foods and nutrition will be continued. Though the economic studies will be associated with the Human Nutrition Research Branch, they will continue to deal with household management problems that are broader than food and will provide reports on the situation and outlook for rural family living and information needed in the farm-home unit program of the Extension Service.

The transfer of economic studies from one research branch to another was made in the interest of improved management of staff and funds, and does not contemplate any curtailment in level of support. Indeed, the funds for these studies will continue at the same level as in recent years. The "87 percent of the budget" referred to in many inquiries provides for economic and nutritional studies of concern to home economists, and not for food research alone. The remaining 13 percent is earmarked for research on housing and on fabric quality.

Though it is planned to shift funds and qualified staff from some lines of work, specifically from household equipment and some phases of textiles and clothing, to research on foods and nutrition, no reduction below the appropriations of recent years is being proposed in the total effort given to research on home economics. The decision to strengthen food and nutrition research at the expense of certain other lines of work was taken after careful consideration of the needs of agriculture and the general public.

Publications of interest to home economists and homemakers will be prepared on the basis of continuing research. In addition there now are available from the Superintendent of Documents many bulletins and leaflets that were based on the types of research to be discontinued. These include:

G-4. Window curtains—planning and selection; 16 pages, 20 cents.

G-16. Buying sweaters for the family; 16 pages.

G-20. How to tailor a woman's suit; 24 pages.

G-30. Pressure canners—use and care; 6 pages.

G-31. Buying women's coats and suits; 24 pages.

G-39. Mending men's suits; 24 pages.

L251. Child's self-help overall; 4 pages.

L322. Preventing and removing mildew—home methods; 10 pages.

M688. Buying men's suits; 24 pages.

M687. Home freezers—their selection and use; 16 pages, 10 cents.

IS-46. How to choose and use your refrigerator; 15 pages.

F1474. Stain removal from fabrics; 30 pages.

F1837. Cotton shirts for men and boys; 14 pages.

F1894. Coat making at home; 27 pages.

F1927. ABC's of mending; 23 pages.

F1954. Making a dress at home; 24 pages.

F1960. Carpet and rug repair; 16 pages.

F1964. Fitting dresses; 30 pages.

F1968. Pattern alteration; 40 pages.

Most of these are now available in sufficient supply to last for some time. If the supply of a particular bulletin becomes exhausted and there continues to be a strong demand for it, consideration will be given to reprinting it so long as the information is up to date.

Our research program admittedly does not cover work along all lines wanted by home economists. This is due both to the limited funds available for human nutrition and home economics research and to the fact that some subjects are more appropriately studied by private and State agencies than by the Federal Government.

Because of our concern for rural families, we are interested in all phases of home economics research, even though in our cir-

cumstances we ourselves are able to undertake research on only some phases. We hope that together the Federal Government and State and private research groups can provide the necessary basis for strong home economics teaching at all educational levels. We want our part of this research to be as useful as possible. We hope that the American Home Economics Association will continue to bring us the viewpoint of home economists through the advisory committee that it has established.

B. T. SHAW,
Administrator.

UNITED STATES DEPARTMENT OF AGRICULTURE,
AGRICULTURAL RESEARCH SERVICE—PUBLICATIONS FOR TEACHERS AND HOMEMAKERS ON CLOTHING, HOUSEHOLD FURNISHINGS, AND EQUIPMENT

The following bulletins and leaflets on selection and care of clothing, household furnishings and equipment, and on clothing construction are based on research to be discontinued. Most of these publications are now available in sufficient supply to last for some time. If the supply of a particular bulletin becomes exhausted and there continues to be a strong demand for it, consideration will be given to reprinting it so long as the information is up to date.

- Buying women's coats and suits. G-31.
- Buying men's suits. M-688. (Revision being completed.)
- Buying sweaters for the family. G-16.
- Cotton shirts for men and boys. F-1837. (Revision being completed.)
- Window curtains—planning and selection. G-4.
- How to tailor a woman's suit. G-20.
- Coat making at home. F-1894.
- Fitting dresses. F-1964.
- Pattern alteration. F-1968.
- Mending men's suits. G-39.
- Making a dress at home. F-1954.
- ABC's of mending. F-1925.
- Carpet and rug repair. F-1960.
- Child's self-help overall. L-251.
- Preventing and removing mildew—home methods. L-322.
- Stain removal from fabrics—home methods. F-1474. (Revision being completed.)
- Soaps and synthetic detergents for home laundering of cottons. Unnumbered. (Revision being completed.)
- Pressure canners—use and care. G-30.
- Home freezers—their selection and use. M-687. (Revision completed.)
- How to choose and use your refrigerator. IS-56.
- Washing machines—selection and use. G-32. (In press.)

Mr. STENNIS. Mr. President, the advisory committees used so far have been very helpful. All their recommendations cannot be followed, of course, but they certainly constitute a guide to the Director and to the Appropriations Committees. I thank the Senate for approving the amendment.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 3, line 7, as amended.

The amendment, as amended, was agreed to.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. DOUGLAS. Does not the Senator from Mississippi believe, if such an advisory committee is established, that the Department will regard research in dishwashing as important and less a subject for the kind of ridicule to which it was subjected during the campaign of 1952?

Mr. STENNIS. I certainly agree with the Senator from Illinois and other Sen-

ators that any practical and important matter that touches the daily life of the American housewife certainly has a place in any home economic research program.

Mr. DOUGLAS. Mr. President, will the Senator yield further?

Mr. STENNIS. I am glad to yield further.

Mr. DOUGLAS. Does not the Senator from Mississippi believe that in the future less attention could be paid to such subjects as the orchids of Guatemala and the flowers of the island of Dominica?

Mr. STENNIS. The relative importance of the two subjects is obvious.

Mr. HUMPHREY. Mr. President, will the Senator from Mississippi yield?

Mr. STENNIS. I yield.

Mr. HUMPHREY. First, I wish to thank the Senator from Mississippi for his leadership in presenting the matter to the Senate. As I understand, under his amendment, the proposed deletion of the home economic research studies and the materials which were made available to home economists through the county extension program, for the benefit of the Nation's housewives, will now be restored, and a stop will not be put to that particular program. Is that correct?

Mr. STENNIS. The purpose of my amendment is to restore that work so far as the sums involved will make its restoration possible. The \$40 million provided in the amendment is not sufficiently large to cover all the activities, but certainly the amendment does emphasize the importance of the work in the future. I hope it will lead to a reevaluation of the program by the Department of Agriculture.

The chairman of the subcommittee informs me that there is enough money available in the bill to carry on all these programs if election so to do is made.

Mr. HUMPHREY. In other words, no limiting language is included in the bill, in terms of the total sum involved, which would prevent the Department of Agriculture from continuing the home economics program?

Mr. RUSSELL. If the Senator from Mississippi will permit me to say so, there is nothing in the bill which would prevent the Department of Agriculture tomorrow from revising its entire research program and carrying on the research in home economics as it was done before the restricted program was announced in February of this year. The main virtue of the amendment offered by the Senator from Mississippi, as I see it, is that it emphasizes to the Department of Agriculture that the Senate is of the opinion that this work is of high importance and that the Senate does not want it discontinued.

Mr. HUMPHREY. I thank that distinguished chairman of the Subcommittee on Agricultural Appropriations for his comment. His statement affords needed clarification. I merely wish to express the point of view I have held on this subject for a long time, namely, that the home economics research has not only been of practical use in terms of the individuals directly concerned with

it, but it has been particularly beneficial to industry by enabling it to determine what clothing and what commodities are most useful and desirable in agricultural areas.

For the Department of Agriculture to limit the activities of this program would be literally to cripple a very important section of our whole extension program through the offices of the county agent. I hope that the Secretary of Agriculture, upon reading the RECORD, particularly the explanation of the amendment by the Senator from Mississippi, will appreciate that Congress does not want the program stopped and does not want to have it severely restricted, but, in fact, wants it continued. As I gather the purpose of the amendment, it is to emphasize that very point.

Mr. STENNIS. The Senator from Minnesota is entirely correct. I thank the Senator for his remarks, and I also thank the Senator from Georgia, the chairman of the subcommittee.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. WILLIAMS. Mr. President, I call up my amendment 4-25-55-A.

The PRESIDING OFFICER. The Secretary will state the amendment.

The LEGISLATIVE CLERK. On page 14, line 9, it is proposed to strike out "\$250,000,000" and insert in lieu thereof "\$195,000,000."

The PRESIDING OFFICER. Is there objection to the amendment?

Mr. RUSSELL. Mr. President, there surely is objection to it. I assume the Senator from Delaware wishes to make a statement on the amendment. If he does not desire to do so, I am perfectly willing to have a vote on the amendment.

Mr. WILLIAMS. I shall make a statement on the amendment. However, several Senators who are interested in the amendment are not in the Chamber, and I stated to them that I would suggest the absence of a quorum.

I therefore suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on the amendment offered by the Senator from Delaware [Mr. WILLIAMS].

The yeas and nays were ordered.

Mr. WILLIAMS. Mr. President, the purpose of my amendment is to cut the authorized appropriation for soil conservation payments from \$250 million to \$195 million. If that were done there would still remain \$20 million more than the amount requested by the administration. The reason why I am not arguing about the \$20 million at this point is that it is supposed to cover authorizations under section 8e. So we are dealing at this time only with that phase which relates to direct soil-conservation payments.

In the testimony before the House Appropriations Committee and before the Senate Appropriations Committee the Secretary of Agriculture advised those committees that the Department did not need more than \$175 million to carry out their program. At a time when there is an enormous deficit, it certainly does not make sense to appropriate to any Federal agency \$75 million more than the amount which it actually requests. I think we all agree that government agencies always request enough, but in this instance Congress is actually trying to appropriate more than has been requested and forcing them to spend it.

Mr. President, I hope the distinguished Senator from Georgia [Mr. RUSSELL] will accept my amendment. I do not see why it would not be in order. I yield the floor to the Senator at this time in order to hear what comments he has to make.

Mr. RUSSELL. Mr. President, I can assure the Senator from Delaware that my comments will not be to the effect of accepting the amendment. I think the amendment should be rejected.

I am somewhat amazed to hear the Senator from Delaware say that the Congress of the United States should abandon its responsibility in the field of soil and water conservation and adopt the ideas of the present Secretary of Agriculture, Hon. Ezra Taft Benson. I say that because when Secretary Benson first came into office he wanted to do away with this program. He asked for only \$140 million, and the work was to be confined to 11 of the dry States. But Congress said "No," and it appropriated adequate funds to carry on the program as it had been carried on in the past. We disregarded the recommendation of the Secretary of Agriculture that, in effect, this great program of soil and water conservation, which has meant so much to the farmers of the Nation, should be sabotaged.

The appropriation is perhaps as vital today as it has ever been in the history of the soil-conservation program. There is involved the question of diverted acres under the crop-control program. In the case of wheat many millions of acres have been taken out of production; in the case of cotton several million acres have been taken out of production; and the acreage of corn has been reduced by a series of acreage allotments, though, of course, with respect to corn the whole program has not been applied as it has been in the case of wheat, cotton, peanuts, rice, and tobacco.

So, Mr. President, we face the problem of dealing with many millions of acres which, until the control program went into effect, were devoted to the production of wheat, cotton, and other commodities. There has been a great deal of discussion as to what to do with these diverted acres. Of course, farmers who are producing soybeans do not want them devoted to soybeans; farmers who are producing grain do not want them devoted to grain; farmers who are producing flax do not want them devoted to the production of flax.

The soil-conservation program is tremendously important, because under it diverted acres are put into grass and cover crops. It is also important be-

cause of the very desperate conditions which exist in the some areas. I am not referring primarily to the damage brought about by the freeze in my own section. I am referring to the dust storms in the West, as a result of which millions of tons of topsoil which for many years produced grazing facilities are now being blown across the entire United States. I visited that area last year, and the dust almost grounded airplanes. A program of the size recommended by the committee is needed to deal with that problem.

Furthermore, Mr. President, this is no time to decrease the assistance which the Federal Government is offering farmers to preserve the most priceless asset of this country, its topsoil. The income of the farmers is continuing to decline. The income of the farmers is being pulled down, down, down, at a time when the income of every other group is going up, up, and up. To destroy even the weak prop soil-conservation payments offered to the farmers would be very unwise.

Mr. LANGER. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. LANGER. Is it not true that a report made a short time ago showed that the farmer owes more money today than he did at the time of the depression?

Mr. RUSSELL. There is no doubt about that.

Mr. LANGER. Is it not true that the interest rate has been raised?

Mr. RUSSELL. Congress enacted the disaster program, and the interest rate fixed was 3 percent. The disaster funds are supposed to go to farmers who have been deprived of all they possessed by some act of nature, and yet the farmer now has to pay 5 percent interest.

That is the kind of relief the farmer gets from the present Department of Agriculture.

For my part, Mr. President, I prefer to follow the experience we have had in the past and to set aside the modest sum recommended by the committee to deal with the preservation of our soil.

Mr. LANGER. Mr. President, I wish to compliment the distinguished Senator from Georgia. The farmers, laboring men, and small-business men of North Dakota are very vitally interested in the soil conservation program. A poll was recently taken in the Middle West, and the result was overwhelmingly in support of the program. The people of that section look to the Senator from Georgia as the champion not only of the farmers, but of the small-business men.

I am delighted to associate myself with every word the Senator from Georgia has said.

Mr. RUSSELL. I appreciate the statement by the distinguished Senator from North Dakota. I am very grateful for the substantial support he has always given.

Mr. THYE and Mr. JOHNSTON of South Carolina addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Georgia yield; and if so, to whom?

Mr. RUSSELL. I yield first to the distinguished Senator from Minnesota;

then I shall yield to the distinguished Senator from South Carolina.

Mr. THYE. Mr. President, I wish to join with the distinguished Senator from Georgia [Mr. RUSSELL], chairman of the subcommittee on agricultural appropriations, in opposing the proposed amendment. The amendment would reduce the amount of money which would be available for the program of soil building and soil and water conserving practices.

Last Wednesday I was in Minnesota. Even in that northern region, where intensified and diversified farming is practiced, the wind was strong and the dust was flying to such an extent that the sun could hardly be seen. That was not in the arid areas of Colorado, western Nebraska, or Kansas; it was in the northern region, in Minnesota.

Unless one is familiar with agriculture, he cannot appreciate what has been happening annually to the topsoil because of erosion by water and wind, and other devastating forces of the rich, fertile soil upon which future generations must depend for their livelihood and for their food supply.

I wish to commend the distinguished chairman of the subcommittee for vigorously opposing any reduction in this fund. If we fail to protect the topsoil, if we fail in our responsibilities as Members of the Congress of the United States to safeguard the generations to come by providing good, fertile soil for the future farmers to till, we will be depriving those who will follow us of the opportunity to earn a sound livelihood through the production of abundant food and fiber.

The money sought to be appropriated will not constitute a mere expenditure of Federal funds; it will be an investment which will secure for us the certainty of having fertile land to till and on which to produce food and fiber for future generations.

If ever we needed to take a lesson, we need to take one today from the wind-blown area of the western agricultural region of the Nation, where not merely inches of topsoil have been lost, but many, many feet of fertile topsoil, which can never be replaced. Without the appropriation of sufficient funds, a vast fertile area will be threatened with becoming a permanent desert.

I have introduced a bill which proposes, under Government auspices, to take some of that land out of production and place it under grass-type farming, making it suitable for grazing, because we who were born, bred, and reared on farms, and who have knowledge of farming conditions, know what is happening to the good soil. We should be constantly engaged in an effort to give to the Nation the certainty that fertile acres can be tilled in the future. We are fighting for the type of appropriations which will assure a continuance of sound farming practices, both by conserving of topsoil and by properly safeguarding the sod or grass, so that vast areas will not be washed away by the first little rain which might happen to fall.

I again commend the able chairman of the Subcommittee on Agricultural Ap-

propriations for his strong resistance of the amendment which is proposed.

Mr. RUSSELL. I deeply appreciate the personal references made by the distinguished Senator from Minnesota. In times past he has served as a member of the Subcommittee on Agricultural Appropriations. No Member of the Senate has a greater awareness of the problems of farmers or a greater desire to solve them than has the Senator from Minnesota. If he could arrange in some way to return to this subcommittee, I can assure him that I, as chairman, would greet him with open arms.

Mr. THYE. While I am not a member of the Subcommittee on Agricultural Appropriations, I am a member of the full Committee on Appropriations, which gives consideration to the overall appropriations questions; and I am always sitting, it might be said, at the arm of the distinguished Senator from Georgia [Mr. RUSSELL], the chairman of the subcommittee.

Mr. RUSSELL. The senior Senator from Minnesota was once a member of the Subcommittee on Agriculture Appropriations.

Mr. THYE. Yes, I was.

Mr. RUSSELL. If events should make it possible for him to return to that subcommittee, I shall certainly welcome him with open arms.

Mr. THYE. I thank the Senator from Georgia.

Mr. RUSSELL. I now yield to the distinguished Senator from South Carolina.

Mr. JOHNSTON of South Carolina. Mr. President, I wish to join with other Senators who have spoken in praise of the distinguished chairman of the subcommittee (Mr. RUSSELL). Having served on the subcommittee with him, I know at first hand of the excellent work he has been doing. I agree with him that this particular amendment must be opposed because of the deplorable condition in which many farmers throughout the nation find themselves at this time.

I call the attention of the Senate to a colloquy which appears on page 96 of the Senate hearings on the Agriculture appropriations, under the heading "Decline in Farm Income," as follows:

DECLINE IN FARM INCOME

Senator RUSSELL. Mr. Secretary, did I understand you to give us farm income in 1954 as compared with 1953 in your statement?

Secretary BENSON. Yes. In the early part I think I had a figure showing there had been a decline in the gross income of about 10 percent, Mr. Chairman, and when that is adjusted for changes in inventory, it represents a decline of about 1 percent.

Senator RUSSELL. In 1953 we had a decline as compared with 1952. What has been the gross decline in the farm income as compared with the peak of the Korean war or subsequent thereto?

Secretary BENSON. Dr. Paarlberg could give us those figures.

Dr. PAARLBERG. I have the gross farm income, which in 1951 was \$36,944 million and in 1954 was \$33,847 million. The realized net income in 1951 was \$14,540 million, and in 1954 was \$11,984 million.

I also wish to call attention to the fact that the parity index now stands at 86. The parity ratio dropped from 113 in

February, 1951, to 86 at the present time, a drop of 27 percent.

Farmers are now caught in a price-cost squeeze which is very severe. Farmers are not sharing fully in the high prices of farm products which the consumer must pay. Nevertheless, they must pay high taxes and high transportation and marketing costs. Furthermore, high labor charges are keeping farm production expenses high. These factors really penalize the farmers.

On page 20 of the current issue of U. S. News & World Report it will be noticed that spending by the American people a year ago amounted to \$131,800,000,000. Now the figure is \$143,100,000,000. While that has been happening, farm income has been dropping. So the farmers have been caught in a squeeze play.

We must do everything we possibly can to aid the farmers. The amendment which is now before the Senate will take away from the farmers a substantial sum of money. This is something which should not be allowed. It is imperative that funds be provided to protect the soil of our Nation. If that is not done, farming will suffer in the years to come.

Mr. RUSSELL. I thank the distinguished Senator from South Carolina.

Mr. HUMPHREY. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. HUMPHREY. I think it would be a dereliction of our duty as Senators to curtail or to limit the very important soil-conservation and water-resources program. I shall vigorously oppose the amendment of the Senator from Delaware [Mr. WILLIAMS].

I was especially intrigued by the comment of the distinguished Senator from Georgia [Mr. RUSSELL], chairman of the subcommittee, about the recommendation of the Department of Agriculture concerning this particular item. I believe it was the Senator from Delaware [Mr. WILLIAMS] who said that the Senate proposed to appropriate in this bill more than had been recommended by the department. I may say that is not a reflection on the Senate, but, to the contrary, it indicates how wrong the Department of Agriculture is again.

I noticed in this morning's press that the distinguished Secretary of Agriculture is on his way to visit the so-called distressed or disaster areas. He is going into the Dust Bowl. Of course, he got a good start, because it was raining at the National Airport, and he had an umbrella. A newspaper reporter is going to accompany him and report every little activity in which he engages. I say that before the Secretary went he should have explained to the Congress of the United States why there had been an increase in interest rates on disaster loans, and when he did increase them why it was not announced to the public. Why was it kept a very carefully guarded secret? Apparently it came under the security program and was labeled "confidential," "secret," or "top secret." The Secretary will have a difficult time explaining to the farmers who have lost their crops, who find themselves without

seed to plant, who have witnessed topsoil blowing away because of winds or dry weather, why there was a need to increase the interest rates on emergency loans to 5 percent, when the established rate for years has been 3 percent.

Mr. President, I wish to inform the Secretary that he is not president of a private bank; he is Secretary of Agriculture, the head of the Department of Agriculture. The argument which the Secretary advanced some time ago in reference to the interest rates, namely, that it costs the Government more to borrow money today, or that the hiring of money is more expensive than it was in the past, is fallacious. Even if it were true, whose fault is it? The Government of the United States can set the price for borrowed capital.

I regret that the Secretary of Agriculture set a higher interest rate on loans, which could only add to the burdens of farmers in the distressed areas. Frankly, the Government should be trying to make the loans easier to obtain and reduce the interest rates, rather than increasing interest rates and making the loans more difficult to obtain. I charge the Department with not only being wrong on soil conservation, but on interest rates on emergency loans.

I hope the appropriation of \$250 million contained in the bill will be considered as a minimum. It is not extravagant. In terms of the need, it is a minimum and indicates a very prudent judgment on the part of the subcommittee and the full Committee on Appropriations.

My own feeling is that if there is to be done what should be done with respect to diverted acreage, more than the amount proposed is needed. We had better be taking care of the soil, not only for the immediate future, but for the long run.

There are Senators who have witnessed in their respective States land which has been eroded by water and wind. They have witnessed land in their States being inundated by floods. They have witnessed poor soil practices which have stolen the fertility of the soil and bled the soil. At long last, the Government of the United States, working with farmers, who do the main job, is doing something about increasing the fertility of the soil.

Of all the times in the world to suggest curtailing soil conservation, this is the worst time, when 14 States are in distress because of wind and water erosion. I cannot think of a more inopportune time to advocate false economy.

There is no doubt the Senate will defeat the amendment and show the American people that there is at least one great resource this Government will take care of, namely, the land.

Mr. RUSSELL. I thank the Senator from Minnesota for his remarks.

Mr. WILLIAMS. Mr. President, I shall be very brief. In summing up the argument for the amendment, I repeat that it merely proposes to reduce the appropriation by \$55 million and thereby reduce it to the figure recommended by the administration.

As to the argument that this is something entirely new, I should like to point out that in previous years all these same arguments against cutting the appropriation have been made. The same arguments used this afternoon were used long before we heard about the drought of recent years. This is not a new program to handle the drought situation.

I think many Senators will agree with me that one of the major reasons why we are having a Dust Bowl in the Midwest is that as a result of the price support program many acres which should not have been put under cultivation were plowed. As a result of the natural grass coverage being removed, the land is now blowing away. Besides, this 90-percent support program was inherited from the previous administration, and the present flexible price support will not go into effect until the 1956 crop year, so let's not blame this drought on the agricultural policies of this administration.

I think many of our agricultural problems including surpluses would be less burdensome had a more realistic support program been put into effect following World War II.

Mr. THYE. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS. I yield.

Mr. THYE. Is it not true that during World War II every producer of wheat was begged by his Government to increase his production? The alcohol supply processed from wheat was so low and the synthetic rubber needs were so great that the farmer was urged to produce every bushel of wheat which could be produced. That was done because of the needs of national defense. If there were any acres plowed up, it was because of the great need, not only for the production of wheat, but to provide therefrom the alcohol necessary to manufacture synthetic rubber. If anything was responsible for plowing up acres, it was the great need induced by the war effort of the Nation, and not the 90 percent price supports. It is absolutely an insult to our intelligence to try to blame the farmers for plowing up grazing land because of the 90-percent support program.

Mr. WILLIAMS. What the Senator from Minnesota has said is partly true. It is true that during the war the Government requested the farmers to expand their production, and they responded wonderfully. The 90-percent price-support program was established, with the proviso that the 90 percent was to carry over for 2 years after the end of World War II in order that the farmers would have a stated period in which to readjust their acreage down to the normal level. That was a sound proposal when we needed maximum production. But the war has been over for 10 years, and we are still carrying on the same wartime price-support program. That is the reason why we have acreage controls and the reason why we are having acreage allotments enforced now.

I think the Senator from Minnesota will admit that the 90-percent price-support program has been extended on

a piecemeal basis, for 1, 2, or 3 years. It was never intended that it become a permanent fixture in our agricultural policy.

At no point in the historical background of the law can it be said that it was the intent of Congress that when the war emergency was over the 90-percent program should be projected 10 years in a peacetime period.

It is this unwise action by Congress that accounts for the huge surpluses which have accumulated in our warehouses. Then it is these surpluses which account for today's depressed farm prices. Under this policy the farmers have been hurt rather than helped.

Mr. LANGER. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS. I yield to the Senator from North Dakota.

Mr. LANGER. It is hard for me to understand the Senator from Delaware. Certainly he has not read history. In World War I if a farmer did not plow his farm by a certain time, a stranger could come upon that land, under Government regulations, and plow up what the Senator calls submarginal land. Throughout the Middle West hundreds of thousands of acres were plowed up, not by the men who owned the land, but, under the administration of President Wilson, a stranger could plow up the land if the owner did not have it plowed up by a certain date. That was done because of the national defense needs. Of course, some of the land was submarginal; nevertheless, many farmers cultivated it rather than let it go to weeds or remain non-productive. Not only that, but the farmers who obtained seed loans and feed loans away back in the time of World War I have been paying interest on such loans at a rate of 6 percent, and today, in some cases, the interest amounts to more than the original principal. We have never had the assistance of the distinguished Senator from New Jersey whenever a measure comes up involving the prosperity of the farmer—

Mr. THYE. Mr. President, if the Senator from Delaware will yield, I should like to remind the Senator from North Dakota that he said New Jersey instead of Delaware.

Mr. WILLIAMS. The Senator from North Dakota is reasonably close.

Mr. LANGER. The very first speech the Senator from Delaware made was an attack on the farmers of the Northwest because they wished to get 30 cents a bushel more for their grain than they were getting at that particular time.

Mr. WILLIAMS. Mr. President, I thank the Senator from North Dakota for remembering my first statement. If I remember correctly at that time he was trying to authorize a retroactive payment of 30 cents a bushel on all the wheat and corn produced in the preceding 5-year period, which would have cost approximately \$10 billion. But he proposed no method for paying for it.

Mr. LANGER. There never was any \$10 billion proposition; that is utter nonsense.

Mr. WILLIAMS. Mr. President, I agree with the Senator from North Dakota that it was utter nonsense.

I have said that I do not blame the Senator from North Dakota for favoring this proposition here today. I call attention that, based upon the figures for the percentage of the total revenue of the United States Government which comes from the State of North Dakota, if this part of the bill were put into effect in its full force of \$214,500,000, it would mean that North Dakota would pay \$235,950, whereas the farmers of North Dakota would receive from the Federal Government \$4,491,000—or you would receive allocations on the basis of approximately 20 to 1. I can understand your interest.

Mr. LANGER. Mr. President, may I say—

Mr. WILLIAMS. Mr. President, I ask the Senator from North Dakota to wait just a minute, please; I have the floor. The Senator from North Dakota will be able to obtain the floor in a minute.

I point out that in the case of several of the other States the matter will work out a little differently.

For instance, if my amendment is rejected the cost to the people of the State of Delaware will be \$2,145,000 whereas our farmers will receive only \$329,000. Our taxpayers in Delaware will get back \$1 for every \$7 they send to Washington. That is a poor way to help.

I may say that—contrary to what the Senator from North Dakota thinks—I come from an agricultural area. The county in which I live outranks any county in North Dakota in agricultural production. So I think I can speak for the farmers when I say that our farmers want less Government regulation. They learned long ago that if there is Government aid, there will be Government controls. We wish you would display an equal interest in self-support. Delaware farmers wish to operate their own farms, and at the same time they do not wish to pay the farmers in the West for land which lies idle as well as paying 90 percent supports for what is in production. The eastern farmers and consumers are tired of picking up the check for all your ideas. There is an overproduction of agricultural commodities in the United States, and our farmers believe that the sooner the farmers of the Nation get down to a realistic agricultural program, the better it will be.

I believe that Secretary Benson is doing an admirable job and has a program which will enable the Nation to reach the objective of an improved condition in agriculture generally.

Mr. President, in order that all States may clearly understand exactly how they fare under this program, I ask unanimous consent to have printed in the Record a breakdown showing the percentage paid by each State, based upon 1951 statistics compiled by the Department of Commerce, and also setting forth the allocations to each State. The total payments by the States, \$214,500,000, is based upon what was spent last year for this program. If Senators will study the tabulation and have followed the debate which has been had today, I think they will see which States will have their hands in the Federal Treasury and why there is so much interest in having the

appropriation bills as large as possible. This is little more than a grab bag.

In the interest of all the farmers and all the taxpayers of the Nation I hope my amendment will be agreed to.

The PRESIDING OFFICER (Mr. THURMOND in the chair). Is there objection to the request of the Senator from Delaware?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Agricultural conservation program, 1955

	Percentage paid by each State based upon 1951 statistics compiled by Department of Commerce showing percentage of total revenue derived from each	State allocations
Alabama.....	\$1,287,000	\$5,987,000
Arizona.....	450,450	1,486,000
Arkansas.....	557,700	4,661,000
California.....	15,015,000	5,340,000
Colorado.....	1,501,500	3,270,000
Connecticut.....	3,474,900	490,000
Delaware.....	2,145,000	329,000
Florida.....	1,994,850	2,470,000
Georgia.....	2,123,550	6,992,000
Idaho.....	386,100	1,705,000
Illinois.....	18,447,000	8,230,000
Indiana.....	5,148,000	5,320,000
Iowa.....	1,866,150	8,972,000
Kansas.....	1,630,200	6,425,000
Kentucky.....	4,504,500	6,396,000
Louisiana.....	1,737,450	4,102,000
Maine.....	536,250	929,000
Maryland.....	6,006,000	1,287,000
Massachusetts.....	6,220,500	533,000
Michigan.....	17,674,800	4,759,000
Minnesota.....	2,359,500	5,758,000
Mississippi.....	471,900	6,305,000
Missouri.....	5,920,200	8,798,000
Montana.....	386,100	3,601,000
Nebraska.....	1,415,700	6,085,000
Nevada.....	193,050	331,000
New Hampshire.....	364,650	498,000
New Jersey.....	6,220,500	716,000
New Mexico.....	343,200	1,822,000
New York.....	39,253,500	4,667,000
North Carolina.....	5,362,500	6,191,000
North Dakota.....	235,950	4,491,000
Ohio.....	14,006,850	5,584,000
Oklahoma.....	2,102,100	7,257,000
Oregon.....	1,522,950	2,157,000
Pennsylvania.....	16,516,500	4,957,000
Rhode Island.....	1,008,150	82,000
South Carolina.....	815,100	3,352,000
South Dakota.....	278,850	4,677,000
Tennessee.....	1,522,950	5,202,000
Texas.....	7,164,300	18,966,000
Utah.....	471,900	1,293,000
Vermont.....	193,050	1,047,000
Virginia.....	3,667,950	4,249,000
Washington.....	2,402,400	2,340,000
West Virginia.....	1,051,050	1,560,000
Wisconsin.....	4,118,400	5,275,000
Wyoming.....	193,050	2,007,000
Total.....	214,500,000	-----

Mr. LANGER. Mr. President, will the Senator from Delaware yield to me?

Mr. WILLIAMS. Mr. President, I yield the floor.

Mr. LANGER. Then, Mr. President, I wish to say that there is no control over the farmers that the farmers themselves do not vote for; and in making that statement, I point out that it includes the farmers of Delaware.

Will the Senator from Delaware tell us the vote the last time the farmers in Delaware voted on the question of controls?

Mr. WILLIAMS. Our farmers have voted against the 90-percent supports. They have not voted against all support programs; but our farmers do not want any bureaucrat in Washington to tell them how much they can plow and how

much they can seed to corn and wheat; neither do they want a fine or penalty to be imposed in case of overproduction.

Several years ago I heard one of the officials of the past administration speak at Georgetown, Del., in behalf of the 90-percent support program. He admitted that the way it would be enforced would be to levy a fine if a farmer produced or planted too much. If a farmer insisted on overproduction, he would be held in contempt of court and could be put into jail. That official said, "Of course, we would not have to put many farmers in jail, before we would put the fear of God into all of them."

I will never support any program operated on the basis of putting a few farmers in jail in order to put the fear of God into all the farmers. That is dictatorship. Instead, we want the American farmers to have freedom of choice and to have the right to operate their own farms. Certainly we want a sound program to avoid a repetition of the depression; I agree fully as to that.

Mr. LANGER. Mr. President, I was going to ask the Senator from Delaware to yield to me, for a question; but he has stated that he has yielded the floor. So I shall speak now in my own time.

Let me say that, as a matter of fact, there is no control over the farmers that the farmers themselves do not vote for. They voted for it by an overwhelming majority; and in making that statement, I include the farmers of Delaware. The last time the vote was taken, the Secretary of Agriculture demanded that there be a two-thirds favorable vote; he thought that two-thirds of the farmers would not be in favor of the program. But even then, two-thirds of the farmers voted for it.

Now we come to the question of the amount to be received by the farmers of North Dakota, as compared with the amount they will pay. The Senator from Delaware has stated that the farmers of North Dakota will pay only \$235,950, but that they will receive from the Federal Government allocations of \$4,491,000. I ask my friend, the Senator from Delaware, how much the manufacturers of Delaware receive as a subsidy from the Federal Government. While the farmers all over the Nation receive approximately \$1 billion, the manufacturers are receiving a subsidy of \$8 billion; but I have not heard my distinguished friend say anything about that. Instead, he has been perfectly satisfied to let the taxpayers of the United States suffer a \$8 billion loss, as a result of the subsidy which is paid to the manufacturers who produce farm machinery and the other export articles which are handled through the Marshall Plan.

But when the poor farmer has a quarter section of land, and votes that he can farm only 33, 34, or 35 acres of it, and confronts the problem of seeing to it that the rest of his land does not blow away, then we find the Senator from Delaware, not talking about the \$8 billion subsidy to the manufacturers, but bemoaning the fact that \$25 million of this appropriation will be used for soil conservation payments all over the Nation, including payments on submarginal land.

INCREASE IN LIMIT OF EXPENDITURES BY JUDICIARY COMMITTEE

Mr. JOHNSON of Texas. Mr. President, I must leave the Chamber to attend a committee meeting.

At this time I ask unanimous consent—and this matter has been cleared with the minority leadership—that Calendar No. 227, Senate Resolution 94, be referred to the Committee on Rules and Administration.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

FINAL LIQUIDATION OF THE COMMISSION ON ORGANIZATION OF THE EXECUTIVE BRANCH OF THE GOVERNMENT

Mr. JOHNSON of Texas. Mr. President, before I leave to attend a committee meeting, I also wish to request unanimous consent—and this matter has also been cleared with the minority leadership—for the present consideration of Calendar 221, Senate bill 1763, a bill relating to the extension and final liquidation of the Commission on Organization of the Executive Branch of the Government. The bill provides for an extension of 30 days.

I understand that this measure is non-controversial, and I further understand that the distinguished senior Senator from Arkansas [Mr. McCLELLAN] is prepared to present the bill, which has been cleared with the Senator from California [Mr. KNOWLAND].

The PRESIDING OFFICER. The bill will be read by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1763) relating to the extension and the final liquidation of the Commission on Organization of the Executive Branch of the Government.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the bill (S. 1763) relating to the extension and the final liquidation of the Commission on Organization of the Executive Branch of the Government.

Mr. McCLELLAN obtained the floor.

Mr. KEFAUVER. Mr. President, will the Senator from Arkansas yield to me, for a question?

Mr. McCLELLAN. I am glad to yield.

Mr. KEFAUVER. In the Armed Services Committee's subcommittee which is considering civil defense matters, it has been proposed by Dr. Flemming, of the ODM, that a study by a Hoover-type commission be made of the question of the dispersal of defense industries and similar matters. Many of us thought that, rather than establish another commission, it would save money and would expedite the handling of the matter if the Hoover Commission could be extended for a sufficient length of time to be able to make this very important study.

I wonder whether the Senator from Arkansas would consider a longer ex-

tension, rather than a 30-day extension, in order to give us a chance to take up this matter with the Commission.

Mr. McCLELLAN. Mr. President, I will say to the distinguished Senator from Tennessee that I am sure it is the will of the present membership of the Hoover Commission, including the Chairman thereof, to bring its work to an end as quickly as possible. The proposed 30-day extension was found necessary. So far the Commission has submitted 7 reports, I believe, of 18 or 19 which are contemplated. The others are in process, and the Commission is very desirous of winding up its affairs.

My own feeling, based upon my experience in serving on the Hoover Commission, and in view of the area which is to be covered by the study the Senator has in mind, is that it would be better to have some other commission or agency make that study. This Commission was established to cover all phases of government. It is entirely too large for the purpose suggested and, as now constituted, it would be too expensive. I think the same results, or even possibly better results, would be obtained by some other commission or agency.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. CAPEHART. I think our recommendation should be to extend the life of the Commission for 30 days, and to create another committee to do what the Senator from Tennessee wishes to have done.

Mr. McCLELLAN. I agree with the Senator from Indiana.

Mr. CAPEHART. While I have great respect for the Hoover Commission, I think it has made mistakes and some bad recommendations. I have one or two of them in mind. One relates to the REA, and the other to the Export-Import Bank. I think the Commission ought to complete its work, and that a new Commission should be established to make the study suggested by the Senator from Tennessee.

Mr. McCLELLAN. I am pretty sure that any commission as large as the Hoover Commission, covering the broad area it has undertaken to cover, would make mistakes, just as any other commission would.

Mr. CAPEHART. It could not help making mistakes.

Mr. McCLELLAN. I have been opposed to some of its recommendations.

Mr. CAPEHART. I know the able Senator has been opposed to some of its recommendations. My thought is that it is not always 100-percent correct.

Mr. McCLELLAN. I do not believe it would be wise to extend the life of the Commission for the purpose suggested by the able Senator from Tennessee. Therefore, I ask that the pending bill be passed without amendment.

The PRESIDING OFFICER. The bill is before the Senate and is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1763) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 9 (b) of the act entitled "An act for the establishment of a Commission on Governmental Operations," approved July 10, 1953 (67 Stat. 142), is hereby amended (1) by striking out "May 31, 1955" and inserting in lieu thereof "June 30, 1955," and (2) by adding at the end thereof the following new sentences: "Notwithstanding the foregoing provisions of this subsection, the Chairman of the Commission shall have charge of the final liquidation of the affairs of the Commission after June 30, 1955, including the printing of reports, the payment of bills, the transfer of records and documents to the National Archives, and the disposition of furniture and other equipment of the Commission. The Chairman of the Commission shall designate such members of the staff of the Commission as he deems necessary for these purposes. Such liquidation shall be completed within a period of not to exceed 90 days after June 30, 1955, and the funds of the Commission shall remain available for necessary expenses during such period."

VISIT TO THE SENATE BY MEMBERS OF THE FRESHMAN CLASS OF THE NEWMAN SCHOOL OF NEW ORLEANS, LA.

Mr. ELLENDER. Mr. President, it affords be distinct pleasure to announce that there are now present in the gallery of the Senate a group of fine girls and boys who are members of the freshman class of the Newman School, a very prominent and outstanding school of New Orleans. These students are on a tour which is in charge of Mr. Ralph W. Kelley, and they are chaperoned by Mrs. Anne Turpin, Mrs. Charles L. Graves, and Mrs. Carter S. Johnson, all of whom are distinguished citizens of Louisiana.

With the indulgence of the Chair, I should like to ask that the students be permitted to rise and receive the greetings of the Senate.

The PRESIDING OFFICER (Mr. THURMOND in the chair). On behalf of the Senate, the Chair extends a cordial welcome to the students and to those accompanying them.

[The group rose in their places in the gallery and were greeted by applause.]

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed in the RECORD at this point the names of the members of the freshman class of the Newman School who are participating in the tour.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

NEWMAN SCHOOL FRESHMAN CLASS EDUCATIONAL TOUR, APRIL 23-29

PERSONNEL OF THE TOUR

Ralph W. Kelley, in charge of the tour.
Chaperones: Mrs. Anne Turpin, Mrs. Charles L. Graves, Mrs. Carter F. Johnson.

STUDENTS

Girls: Sandra Altschul, Elaine Blaine, Lynda Carmel, Cecile Costley, Carroll Durand, Carol Feldman, Judy French, Carolyn Graves, Gayle Houston, Carol Kennedy, Margaret Kettler, Jaye Klotz, Mary Jane Konrad, Joy Levitan, Edith Levy, Jeannine Matranga, Lynn Perschall, Susan Shaffer, Joyce Singerman, Cornelia Sluis, Beth Souchon, Carol Sullivan, Mathile Watsky, Sandy Robin.

Boys: Philip Adams, David Bernstein, John Bick, Jay Buckman, Devereaux Danna, David Egler, Julian Feibleman, Kenneth Guidry, Alan Jacobs, Charles Johnson, Arthur Kastler, Donald Levy, Jimmie McCarter, George

Meyer, William Norman, William Mimeles, Vernon Palmer, John Parker, Marshall Pulitzer, Richard Rosenfeld, Richard Rudman, Harris Stern, Bernard Woolner.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATION BILL, 1956

The Senate resumed the consideration of the bill (H. R. 5239) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1956, and for other purposes.

Mr. MANSFIELD. Mr. President, I wish to speak briefly in regard to one item in H. R. 5239, the 1956 Agricultural and Farm Credit Administration bill. I refer specifically to the entomology funds under the Agriculture Research Service. The Department of Agriculture has a fine record through the years in the realm of research and study in almost every phase of our life, home economics, health, pest control, farm economy, electrification, crop research, and numerous other areas.

In my State of Montana, the Agriculture Department and the Health, Education, and Welfare Department are cooperating in an extremely important program regarding the mosquito and irrigation problem in the Milk River Valley. The first phase of the work is now complete and the two Departments are now ready to go in and effectively combat the mosquito problem. Under the present appropriation requests there are sufficient funds to carry out this program according to the present schedule, but my colleague, the senior Senator from Montana, JAMES MURRAY and I feel that because of its importance, the program should be speeded up and more funds are needed for the 1956 fiscal year.

The Milk River Valley is an area of a severe mosquito problem, the prevalence of encephalitis viruses in almost epidemic proportions has become serious and the area has been faced with a sharp reduction in crop production. The correction of this deplorable situation is important not only to Montana, but to the Nation as a whole. The speedy correction of this situation which has existed more than 40 years will provide the cooperating agencies a program to follow in attacking other mosquito and irrigation problems in other areas of the Nation under similar conditions. This problem is prevalent throughout the country wherever you find old and outmoded irrigation practices. The farmers are eager to be rid of this mosquito infestation so that they can return their lands to full production.

State and local agencies are cooperating in the Milk River project financially and otherwise. The Montana State Legislature and the Montana Reclamation Association have expressed the urgency of these additional funds. In addition, according to information received from officials of Agriculture and HEW, these funds can be justified.

I think that all of us here in the Senate would agree to these additional funds if they had the opportunity to personally study the deplorable situation. Again,

I wish to stress that other areas will benefit from the lessons being learned by the cooperating agencies in the Milk River project.

Mr. President, I wish to recommend to the Senate that Agricultural Research Service funds be increased to allow an additional \$20,000 for the Milk River mosquito-control program in Montana.

At this point in my remarks I ask unanimous consent that the following items be printed in the RECORD: Copies of two letters sent to Secretary of Agriculture Benson and Secretary of Health, Education, and Welfare Hobby by the senior Senator from Montana [Mr. MURRAY] and a brief prepared by Dr. J. H. Pepper, State entomologist and project coordinator.

There being no objection, the letters and brief were ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON INTERIOR AND
INSULAR AFFAIRS,
April 25, 1955.

HON. EZRA TAFT BENSON,
Secretary, Department of Agriculture,
Washington, D. C.

DEAR MR. SECRETARY: A few weeks ago I requested, on behalf of myself and other Montana Congressmen, a conference with Public Health officials regarding the mosquito and irrigation problem in the Milk River Valley of Montana. Last Thursday a highly satisfactory conference was held. From it can proceed, I believe, an improvement in the situation along the Milk River, and I am respectfully requesting your cooperation.

Mr. Hammerstrom of the Public Health Service shares the view of other experts that an increase in the appropriations for the Milk River project can certainly be justified. Mr. J. H. Pepper, Montana State entomologist, believes another \$15,000 from the Public Health Service (\$10,000 is in the current budget) and another \$20,000 from Agricultural Research Service (\$5,000 is in the current budget) is required. Other Federal, State, and local agencies connected with the Milk River project are also contributing financially and otherwise.

Montana's Governor Hugo Aronson, the State legislature, Paul Working, who is president of the Montana Reclamation Association, and others have impressed upon us of the Montana delegation the urgent need for additional appropriations. I do not think it is necessary to detail here the prevalence of encephalitis viruses, at a rate comparable to the highest epidemic areas, nor the sharp reduction in crop production in the area. I think that all of us who have studied the Milk River problem agree that more funds are urgently needed so that the deplorable situation which has existed for more than 40 years can be speedily corrected, and so that other areas may benefit from the lessons being learned by cooperating agencies in the Milk River project.

I believe there is a possibility of getting additional funds for the project included in the next budget. Senator MANSFIELD and I are going to make every effort to accomplish this when pertinent appropriation bills are considered soon in the Senate. It would be extremely helpful to us if you would submit to us, at your earliest convenience, documentation of the need for an increased appropriation.

I shall look forward to hearing from you, and to our speedy correction of the costly and dangerous situation along the Milk River.

Sincerely yours,

JAMES E. MURRAY,
Chairman.

UNITED STATES SENATE,
COMMITTEE ON INTERIOR AND
INSULAR AFFAIRS,
April 25, 1955.

HON. OVETA CULP HOBBY,
Secretary, Department of Health,
Education, and Welfare,
Washington, D. C.

DEAR MRS. HOBBY: You will recall that a few weeks ago I requested on behalf of myself and other Montana Congressmen a conference regarding the mosquito problem in the Milk River Valley of Montana. You graciously arranged for Mr. Richard J. Hammerstrom of the Public Health Service to meet with my and other Montana Congressman's assistants last Thursday. They had a highly satisfactory conference from which I believe an improvement in the situation along the Milk River can proceed.

Mr. Hammerstrom shares the view of other experts that an increase in the appropriations for the Milk River project can certainly be justified. Mr. J. H. Pepper, Montana State entomologist, believes another \$15,000 from the Public Health Service (\$10,000 is in the current budget) and another \$20,000 from Agricultural Research Service (\$5,000 is in the current budget) is required. Other Federal, State and local agencies connected with the Milk River project are also contributing financially and otherwise.

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I shall look forward to hearing from you, and to our speedy correction of the costly and dangerous situation along the Milk River.

Sincerely yours,

JAMES E. MURRAY,
Chairman.

COOPERATIVE MOSQUITO RESEARCH PROJECT,
MILK RIVER VALLEY, MONT.

Prepared and submitted by J. H. Pepper, State entomologist and project coordinator, in support of the request being made by the Agricultural Research Service and the United States Public Health Service for funds to carry out this project.

Following the completion of the Milk River irrigation project in 1911, a severe mosquito problem developed which has been continuous and which has affected both the health and the agricultural economy of the people in the area. This situation can be attributed directly to the presence of large suitable mosquito breeding areas that are the result of an irrigation system which was designed without the necessary knowledge of the topography and soils of the area. In addition the lack of knowledge on proper water usage, under the conditions which

exist, has resulted in a continuous degeneration of the soils with a consequent decrease in the agricultural production to the point where much of the land is now non-productive. In reality this is the basic problem since the mosquitoes are produced by the practices which are necessary under the present system. This situation is not unique to the Milk River valley but is typical of most of the early irrigation projects which were designed without a knowledge of the basic characteristics of the area.

The existence of the problem has been realized since the early twenties at which time an experiment station project was initiated to study the causes of mosquito production and possible means of their control. It was found that the mosquito problem was the direct result of irrigation water usage, but the study was abandoned because of the apparent hopelessness of the situation. At that time action along the lines of preventative control seemed prohibitive from the standpoint of mosquito control alone. It was not realized what was happening to the production levels of the land and that the correction of one problem would correct the other.

Following World War II and the introduction and use of new and powerful insecticides, mosquito control campaigns were undertaken in many widely separated geographical areas. Most of these campaigns soon proved to be too costly and ineffective (except for short periods of time) for the average community to continue. As a result the office of the State entomologist was approached by a citizens committee from Milk River area with a request to make studies which might lead to a more economical and practical solution to their mosquito problem. Preliminary studies by personnel of this office showed that the nature and extent of the problem was such that its solution lay beyond the scope of local and State resources. Since in this area there was evidence of the presence of equine encephalitis, a disease of man and animals which is carried by mosquitoes, the United States Public Health Service was requested to join with State personnel in attacking the problem. This resulted in a cooperative project being set up in 1951, involving the United States Public Health Service, the Montana State College Agricultural Experiment Station, the office of the State entomologist, the Montana State Board of Health and a special committee of Milk River Valley residents.

To date in excess of \$60,000 has been spent by the above agencies in defining and analyzing the mosquito production developing from such situations as residual irrigation water, overflow from farm distribution system, irrigation waste water, etc. in fields, pastures, bluejoint meadows, etc. (For complete details, see First Progress Report Mosquito Investigations Milk River Irrigation Project, Montana, by U. S. Public Health Service, April 1953). In addition, preliminary studies were made on the incidence of encephalitis viruses. The studies showed that in the Milk River area the prevalence of these viruses was comparable to the highest endemic areas for this disease in the United States. The mosquito species which are present in this area have also been recorded and data obtained on their relative abundance. Likewise studies have been initiated to determine the effect of mosquitoes on milk production and weight gains on livestock.

When it became known that over 90 percent of the mosquitoes were produced as a direct result of the present necessary irrigation practices, and that these same practices were responsible for the ever-decreasing level of agricultural production, the Research Division of the Soil Conservation Service was asked to cooperate in the solution of the problem. In the summer of 1953 they made

a preliminary study and recommended that their Service enter the project as a cooperating agency to carry out research on corrective land and water usage. In 1954, \$5,000 was assigned to the Soil and Water Conservation Research Branch of the ARS to make a more comprehensive study of the problem and to prepare a detailed research project statement outlining the necessary studies and the budget requirements. This budget is now being presented to Congress for its approval. The budget for work on this project by the United States Public Health Service is likewise being submitted for congressional approval. Their studies are closely correlated with those prepared by the ARS, in fact the studies proposed by each of the above agencies are completely interdependent and crucial in the solution of the overall problem. A detailed statement of the studies to be undertaken, their interrelationship, the need for them and their value will be found in the attached "Research Project Outline." In addition to the studies mentioned in this outline the United States Public Health Service proposes to study the incidence and natural history of the encephalitis viruses and the biology and control of their mosquito vector. The latter studies will be made in relation to irrigation water usage.

The Montana Agricultural Experiment Station will study the field ecology of the principal mosquito species in the Milk River area. Emphasis will be placed on determining the factors and conditions which are responsible for the choice of egg-laying sites and a determination will be made of the minimum conditions necessary for egg hatch and larval survival. These studies will be made in relation to irrigation water usage within the area. The Montana station, in addition, will continue their studies on the effect of mosquitoes on milk production and weight gains on livestock.

The Montana State Board of Health plans to aid the United States Public Health Service in their encephalitis studies by gathering information on the nature, symptoms, etc., of the disease and in the preparation of case histories.

The State Board of Entomology will provide seasonal help to make mosquito collections throughout the State. These collections will be processed by the United States Public Health Laboratory at Hamilton, Mont., for the presence of encephalitis viruses.

The North Montana Experiment Station will act in an advisory capacity on such things as experimental site selections, land usage, soil treatments, and agronomic practices.

The United States Bureau of Reclamation will make available the knowledge which they have accumulated through the years they have operated in this area, as well as to loan or transfer specialized equipment.

The United States Soil Conservation Service will make available part-time help for the project by regular SCS staff members.

The Blaine County mosquito committee is contributing office space for field personnel and will aid in securing experimental sites.

The Montana Extension Service will aid in the dissemination of research data and in securing acceptance of the findings which results from this study.

The State entomologist will act as coordinator of the project and will assist in maintaining close liaison between the residents of the area and the operating agencies.

This Milk River mosquito project in all its ramifications is one of the few studies ever attempted in the comprehensive manner outlined above. Complete agreement between agencies has been reached as to the phases of study to be undertaken by each agency, and the manner in which these studies are to be carried out. It should be obvious that without the contributive studies from each agency being undertaken simultaneously, limited value would be forth-

coming from any one study. The solution of a problem of this nature does not lend itself to a piece-meal approach.

Budget summary for fiscal year 1955-56

	Now available	Required	New appropriation requested
ARS.....	\$5,000	\$25,000	\$20,000
U. S. Public Health Service.....	10,000	25,000	15,000
Total.....	15,000	50,000	35,000

Budgets to be expended by contributing agencies other than A. R. S. and United States Public Health Service. These budgets will be obtained and the funds utilized by the agencies listed below. They are not involved in the request being made by the A. R. S. and the United States Public Health Service. Each individual budget is necessary to carry out the agency's particular segment of the problem. These do not involve requests for new additional funds.

Agency	Salaries	Other	Total
Montana Agricultural Experiment Station.....	\$3,475	\$2,202	\$5,677
Montana State Board of Health.....	200	750	950
State board of entomology.....	1,000	500	1,500
North Montana Experiment Station.....	300	50	350
U. S. Bureau of Reclamation.....		2,000	2,000
U. S. Soil Conservation Service.....	1,500	500	2,000
Blaine County Mosquito Committee.....		750	750
State entomologist.....	1,500	300	1,800
Total.....	7,975	7,052	15,027

Mr. YOUNG. Mr. President, I rise briefly to comment upon some of the remarks made by the Senator from Delaware [Mr. WILLIAMS]. There has been a feeling, as indicated by many magazine articles — and I sometimes think promoted by the present Secretary of Agriculture — that the 90-percent price supports are the cause of the present Dust Bowl area in the Western States. Nothing could be further from the truth. During most of the past 12 years, or during most of the period when we have had 90-percent price supports, the price of wheat has been above the 90-percent level. During much of this time we have had licenses on exports, and by one means or another a ceiling has been placed on the price of wheat. At one time we even gave the farmers a 30-cent-a-bushel bonus if they would bring their wheat in to market.

With respect to the Dust Bowl area, that is cheap land. When we have abundant rainfall, as we have had during the past 10 or 12 years, with the exception of 2 years, wheat can be produced more cheaply in the Dust Bowl area than in any other part of the United States.

One of the principal things wrong with the present price-support program — and we would have that problem whether we had 90 percent price supports or some other level of support — is the fact that the State of Delaware receives the highest price support on wheat of any State in the Union. The State of Delaware delivers about as high a percentage of its wheat production to the Federal Government as does any

other State in the Union. The price support on wheat for Delaware is nearly 30 cents a bushel higher than the price support in Kansas, which is the principal wheat-producing State. It is nearly 30 cents a bushel higher than the price support in North Dakota, where durum wheat is produced. At present durum wheat is in short supply and the Government has not a single bushel of it. It is selling for more than \$4 a bushel. The wheat produced in Delaware is soft winter wheat, mostly garlicky, and the Government takes a terrific loss on it.

I emphatically deny that the 90-percent price supports have anything to do with the Dust Bowl area of the Midwest.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. President, I remind the Senator from North Dakota that the reason there is a differential in the wheat-support program is that there is a freight differential between the East and the West. The farmers voted against the 90-percent support. However, they must certainly abide by the law with respect to acreage controls, and therefore they must get the advantages or disadvantages of the program. That does not mean that they are in favor of it.

But I remind the Senator from North Dakota that we are not voting on the 90-percent support program in the Senate today. What we are voting on is the question of whether we are to give the Department of Agriculture \$55 million more than it even wants or more than it says it can intelligently spend. That is the question before us. Do we want economy in government or is our talk just lipservice? The vote will tell. I repeat that if we are to have any economy in government and a balancing of the budget, we must do so by reducing appropriations and not by increasing them. The appropriation bill now before us calls for 33½ percent more money than was appropriated last year to the same Department. It is time to start rolling back these appropriations if we are ever to have any tax reduction in this country.

Significantly many of those talking loudest for this increased appropriation here today were shedding the most tears recently when the tax reduction proposal was before the Senate.

We cannot have large expenditures and lower taxes. Take your choice, but let us stop talking for both.

Mr. YOUNG. Mr. President, let me say to the Senator from Delaware that I believe that funds for this program are more necessary now than ever before. The trouble with the price-support program today is the fact that we are maintaining higher price supports on feed wheat than on good baking quality wheat. If the Secretary of Agriculture continues that policy, it will destroy the 90 percent price-support program. It would destroy a program based upon 75 percent price support, or even 65 percent price support. Sooner or later the Federal Government must get rid of the vast accumulation of feed wheat which

we are unnecessarily accumulating in the United States.

Mr. WILLIAMS. Mr. President, I will say to the Senator that we are in complete agreement that the present price-support program, as it has been administered in the past, is not workable.

Mr. YOUNG. I may say, in addition, that this practice grew up long before Mr. Benson became Secretary of Agriculture. He has the authority to correct the situation, and I hope that he will have the courage to correct it. If he does not correct it, the whole program may well be destroyed.

Mr. MONRONEY. The Senator is quite right in describing the conditions in the dust bowl. In Oklahoma there have been about 18 dust storms.

This land has been broken up at the insistence of the Department of Agriculture for the production of wheat. If the land is to be put back into grass, these payments must be made. It should be remembered that the Government merely helps the farmer grow the grass and retire the land from active cultivation. If we do not vote the amount of money provided in the bill, we will defeat the purpose of the Senator from Delaware. It should also be remembered that for every dollar the Federal Government spends, the farmer must spend a dollar or a dollar and a half.

Mr. YOUNG. I thoroughly agree with the Senator from Oklahoma. I may say further that some of the land in North Dakota was broken up, when the Government urged the farmers to produce flax and fixed the price-support price at \$6 a bushel. That is what caused some of the poorer land in North Dakota to be broken up, but that land is not blowing away now.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Texas will state it.

Mr. JOHNSON of Texas. Have the yeas and nays been ordered on the pending question?

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. WILLIAMS]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CLEMENTS. I announce that the Senator from Virginia [Mr. BYRD] is unavoidably detained in the Senate Finance Committee on official business.

The Senator from Tennessee [Mr. KEFAUVER] and the Senator from Montana [Mr. MURRAY] are absent on official business.

The Senator from Massachusetts [Mr. KENNEDY] is absent by leave of the Senate because of illness.

I further announce that the Senator from Virginia [Mr. BYRD] is paired with the Senator from Tennessee [Mr. KEFAUVER]. If present and voting, the Senator from Virginia would vote "yea," and the Senator from Tennessee would vote "nay."

The Senator from Massachusetts [Mr. KENNEDY] is paired with the Senator from Montana [Mr. MURRAY]. If present and voting, the Senator from Massachusetts would vote "yea," and the Senator from Montana would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Colorado [Mr. ALLOTT] is absent on official business in the State.

The Senator from Wyoming [Mr. BARRETT] is necessarily absent.

The Senator from Utah [Mr. BENNETT] the Senator from Kansas [Mr. CARLSON], the Senator from Vermont [Mr. FLANDERS], the Senator from Nevada [Mr. MALONE], the Senator from Pennsylvania [Mr. MARTIN], and the Senator from Colorado [Mr. MILLIKIN] are detained on official business at a meeting of the Committee on Finance.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Wisconsin [Mr. MCCARTHY] are detained on official business.

The Senator from Idaho [Mr. WELKER] is absent because of illness.

On this vote the Senator from Pennsylvania [Mr. MARTIN] is paired with the Senator from Utah [Mr. BENNETT]. If present and voting, the Senator from Pennsylvania would vote "yea," and the Senator from Utah would vote "nay."

If present and voting, the junior Senator from Colorado [Mr. ALLOTT], the Senator from Wyoming [Mr. BARRETT], the Senator from Kansas [Mr. CARLSON], the Senator from Vermont [Mr. FLANDERS], the senior Senator from Colorado [Mr. MILLIKIN], and the Senator from Idaho [Mr. WELKER] would each vote "nay."

Mr. KNOWLAND. Mr. President, how am I recorded?

The PRESIDING OFFICER. The Senator from California is recorded as having voted in the negative.

Mr. HUMPHREY. Mr. President, am I recorded?

The PRESIDING OFFICER. The Senator from Minnesota is recorded as having voted in the negative.

Mr. COTTON. Mr. President, am I recorded?

The PRESIDING OFFICER. The Senator from New Hampshire is recorded as having voted in the negative.

Mr. THYE. Mr. President, how am I recorded?

The PRESIDING OFFICER. As having voted in the negative.

Mr. SMITH of New Jersey. Mr. President, how am I recorded?

The PRESIDING OFFICER. As having voted in the negative.

Mr. LANGER. Mr. President, how am I recorded?

The PRESIDING OFFICER. As voting in the negative.

Mr. YOUNG. Mr. President, how am I recorded?

The PRESIDING OFFICER. As having voted in the negative.

Mr. SMITH of New Jersey. Mr. President, I did not hear how I was recorded.

The PRESIDING OFFICER. The Senator from New Jersey is recorded as having voted in the negative.

Mr. MONRONEY. Mr. President, how am I recorded?

The PRESIDING OFFICER. As having voted in the negative.

Mr. BENDER. Mr. President, how am I recorded?

The PRESIDING OFFICER. As having voted in the negative.

Mr. IVES. Mr. President, how am I recorded?

The PRESIDING OFFICER. As having voted in the negative.

Mr. AIKEN. Mr. President, how am I recorded?

The PRESIDING OFFICER. The Senator from Vermont is recorded as voting in the negative.

Mr. JENNER. Mr. President, how am I recorded?

The PRESIDING OFFICER. As having voted in the negative.

The result was announced—yeas 5, nays 76, as follows:

YEAS—5

Bush	Frear	Williams
Curtis	Payne	

NAYS—76

Aiken	Green	Morse
Anderson	Hayden	Mundt
Barkley	Hennings	Neely
Beall	Hickenlooper	Neuberger
Bender	Hill	O'Mahoney
Bible	Holland	Pastore
Bricker	Hruska	Potter
Butler	Humphrey	Purtell
Capehart	Ives	Robertson
Case, N. J.	Jackson	Russell
Case, S. Dak.	Jenner	Saltonstall
Chavez	Johnson, Tex.	Schoeppel
Clements	Johnston, S. C.	Scott
Cotton	Kerr	Smathers
Daniel	Kilgore	Smith, Maine
Dirksen	Knowland	Smith, N. J.
Douglas	Kuchel	Sparkman
Duff	Langer	Stennis
Dworshak	Lehman	Symington
Eastland	Long	Thurmond
Ellender	Magnuson	Thye
Ervin	Mansfield	Watkins
Fulbright	Martin, Iowa	Wiley
George	McClellan	Young
Goldwater	McNamara	
Gore	Monroney	

NOT VOTING—15

Allott	Carlson	Martin, Pa.
Barrett	Flanders	McCarthy
Bennett	Kefauver	Millikin
Bridges	Kennedy	Murray
Byrd	Malone	Welker

So Mr. WILLIAMS' amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

Mr. DOUGLAS. Mr. President, I do not wish to offer an amendment, but I should like the privilege of asking some questions of the distinguished chairman of the subcommittee, relating to the subject of loan authorizations for rural electrification. The item appears on page 21 of the bill.

Mr. RUSSELL. I shall be glad to furnish any information available to me with respect to any item in the bill.

Mr. DOUGLAS. May I ask the Senator from Georgia if my impression is correct that one-half of the ordinary and regular and contingency funds for rural electrification is allocated among the States on a formula based on the relative number of farms not served by electricity, and the remaining one-half, plus any carryover or rescission, is subject to a maximum allotment of 10 percent to any 1 State.

Mr. RUSSELL. Mr. President, I regret that I could not understand all of the question propounded by the Senator from Illinois.

Mr. JOHNSON of Texas. Mr. President, may we have order in the Chamber?

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Illinois may proceed.

Mr. DOUGLAS. May I ask the Senator from Georgia if my understanding is correct that one-half of the new, regular, and contingency appropriations for rural electrification are allocated among the States on the basis of a formula which distributes the money according to the relative number of farms not serviced by electricity, while the other half, plus funds from carryover and rescission, are subject to the qualification that no State is to receive more than 10 percent from this part of the appropriation?

Mr. RUSSELL. I think that is the formula for the distribution of the regular appropriation.

Mr. DOUGLAS. That is what I mean.

Mr. RUSSELL. Yes, that is my understanding.

Mr. DOUGLAS. Is it not true that as the number of farms not serviced by electricity has greatly diminished—and I believe that the number now is less than 10 percent—

Mr. RUSSELL. The Senator is correct.

Mr. DOUGLAS. Is it not true that now the needs of the system are primarily not so much for the providing of additional farms with electricity, as for the "beefing" up of the lines, so that they may carry the increased power to each farm, and also, in certain cases, to provide facilities for generation and transmission for the cooperative groups of the REA?

Mr. FLANDERS. Mr. President, will the Senator from Illinois yield for a parliamentary inquiry?

Mr. DOUGLAS. I yield.

The PRESIDING OFFICER. The Senator from Vermont will state his parliamentary inquiry.

Mr. FLANDERS. I should like to inquire whether any precedent exists whereby a Senator may vote later, when he has missed a vote because the signal bell system did not work. Has that happened before, and is there any precedent for covering such a situation?

The PRESIDING OFFICER. Such a situation has occurred heretofore.

Mr. FLANDERS. But is there nothing that can be done about it?

Mr. LANGER. Mr. President, I ask unanimous consent that the distinguished Senator from Vermont may be permitted to cast his vote on the Williams amendment.

Mr. FLANDERS. At least half a dozen Senators are in a similar situation.

Mr. CASE of South Dakota. Mr. President, reserving the right to object, if the courtesy shall be extended to 1 Senator, I think it should be extended to all the members of the Committee on Finance, where, I understand, the signal bells did not ring.

The PRESIDING OFFICER. The Chair calls attention to rule XII of the Standing Rules of the Senate, which reads, in part, as follows:

No motion to suspend this rule shall be in order, nor shall the Presiding Officer entertain any request to suspend it by unanimous consent.

The unanimous-consent request of the Senator from North Dakota [Mr. LANGER], is not in order.

Mr. FLANDERS. Then, Mr. President, I move to reconsider the vote by which the Williams amendment was rejected. I have not voted at all; perhaps I am not eligible to make such a motion.

Mr. LANGER. Mr. President, the Senator from Vermont is eligible to make such a motion.

Mr. FLANDERS. I renew my motion to reconsider the vote by which the Williams amendment was rejected.

Mr. RUSSELL. Mr. President, let me urge the distinguished Senator from Vermont to state for the RECORD how he would have voted, rather than to move to reconsider the vote. It might take considerable time to have another vote.

I deplore the fact that some of the most stalwart Members of the Senate were not apprised of the fact that a yeand-nay vote was in progress. They were performing their duties in the Committee on Finance pursuant to the leave of the Senate that that committee might meet during the session of the Senate.

If the vote had been close, I would gladly support the Senator from Vermont. But, in view of the fact that the amendment was overwhelmingly rejected, by a vote of 76 to 5, let me appeal to him not to press his motion to reconsider.

Mr. FLANDERS. I still think it is a serious matter when the signal system does not work.

Mr. RUSSELL. I agree with the Senator from Vermont.

Mr. FLANDERS. Not only did the signal system fail in the Committee on Finance, but in my office, also, the bell did not ring.

Mr. RUSSELL. That is a very serious matter; and if the Senator from Vermont insists on his motion, I shall join with him in his request. But in view of the fact that the vote was not close, I again appeal to him, not to move to reconsider and to avoid another vote on the amendment. Nevertheless, if the Senator insists on his motion, I shall certainly join with him in asking that the vote by which the amendment was rejected be reconsidered.

Mr. FLANDERS. Mr. President, since the vote was not close, I yield to the

suggestion of the Senator from Georgia and say that, had the signal system been working, and had I been present in the Chamber, I would have voted "nay."

Mr. RUSSELL. I thank the Senator from Vermont for his kindness in permitting the Senate to proceed.

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. DOUGLAS. Mr. President, at the time of the interruption, I was asking the Senator from Georgia if it were not true that with the passage of time—

Mr. RUSSELL. I recall the Senator's question.

There has been a tremendous increase in the consumption of electric current on the farms. It has gone far beyond anything anyone could have envisioned at the time the original system was built.

The lines of the original systems would not have begun to carry the load which the farms were using as farmers found the means by which to apply electric current to their farmwork. That has meant that most of the systems, particularly in the heavily populated rural areas, have been almost completely rebuilt. This has required additional sources of electric current. There is no question that there has been an enormous increase in the need for electricity on the farms, and that need has been met fairly well as it has developed.

Mr. DOUGLAS. Is it not true, therefore, that there should be a consideration of revising the formula by which the funds are distributed?

Mr. RUSSELL. At the present time, the funds are frozen under a formula which was applied to the Nation when practically none of the farms were electrified. Today the formula is sought to be applied to a Nation in which about 90 percent of the farms are electrified. In some States, almost 100 percent of the farms are electrified. As a matter of fact, the remaining 10 percent are very largely in 3 or 4 States.

The present need for money, as the Senator has pointed out, is for the reconstruction of existing systems to supply additional current. That, however, is a matter which is within the purview of the Committee on Agriculture and Forestry, a standing committee of the Senate. I understand that a bill designed to accomplish the very purpose which the Senator from Illinois has in mind has been reported by that committee, and is now on the calendar of the Senate.

Mr. DOUGLAS. The National Rural Electric Cooperative Association asked for \$169 million in the regular appropriation, but for \$250 million to \$300 million in the contingent fund. The regular appropriation has now largely been met with the appropriation of \$160 million; but the contingency appropriation which the association requested, in the amount of \$250 million or \$300 million, has been reduced to \$100 million.

I may say that such a reduction is particularly severe upon, I believe, the State of Colorado and also the State of Illinois. The cooperatives in both States desire to have the authority to erect generating stations and to build heavy trans-

mission lines. The maximum, total funds which will be available under the present formula to the State of Illinois, under the bill as it now stands, are approximately \$21 million. In order that the co-ops in Illinois may carry through with the generation and transmission system they want, a total of from \$20 million to \$30 million may be needed, plus additional millions for "beefing" up the lines. The total needed may very substantially exceed the maximum under the formula.

So my question of the Senator from Georgia is: If the bill revising the formula should not pass, would the Senator from Georgia consider the possibility of reporting an increase in the contingency appropriation later in the year? For we have found the REA co-ops and their national association to be very accurate in forecasting needs.

Mr. RUSSELL. Over a period of 20 years I have always tried to make certain that the agricultural appropriation bill carried adequate funds for the rural-electrification program. Certainly if there is not sufficient money available in the bill, consideration can be given to the situation in a supplemental or a deficiency appropriation bill.

However, I understand the bill which was reported unanimously by the Committee on Agriculture and Forestry, and which is now on the calendar, revises the formula, so I do not anticipate any trouble along the lines which the Senator from Illinois has suggested.

Mr. DOUGLAS. Would the provisions of the bill be retroactive?

Mr. RUSSELL. This appropriation will take effect beginning July 1, 1955.

Mr. DOUGLAS. So if the formula should be revised prior to July 1, it would apply to the entire appropriation. Is that correct?

Mr. RUSSELL. It is my construction that it would.

Mr. DOUGLAS. And if it were not passed until after July 1—

Mr. RUSSELL. I think it would apply to it on the day it passed, anyway.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. HUMPHREY. I wish to give additional assurance to the Senator from Illinois that the bill to which reference has been made is Calendar No. 217, Senate bill 153, to amend the Rural Electrification Act of 1936. That bill would provide ample funds to complete the project the Senator may have had in mind. There are millions and millions of dollars presently available by the formula under which the REA now operates. Those funds would be released along the lines the Senator has suggested. I am hopeful the bill can be passed this week.

Mr. JOHNSTON of South Carolina. Mr. President, I should like to say that the bill now pending does not interfere with any applications already made, either.

Mr. ROBERTSON. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a telegram I have received from Mr. Carroll R.

Miller, secretary-manager of the Appalachian Apple Service.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

MARTINSBURG, W. VA.,
April 22, 1955.

Senator A. WILLIS ROBERTSON,
Senate Offices, Washington, D. C.:

Western New York Apple Growers Association's board of directors on February 26 unanimously voted to support our action to eliminate price predictions on apples by USDA. New York-New England Apple Institute's officers and directors have asked their key Congressmen on House Agricultural Committee to support this so they are solidly with us. Illinois Fruit Council's secretary favors but has not yet had opportunity to place before his directors; feels they will favor elimination of prophesying. Washington State apple associations have not completed official action but secretary reports their officers and members favorable to elimination of price guessing.

This in addition to twice-taken stand of both Appalachian Apple Service. The Four-State Growers Organization and Virginia State Horticultural Society that we press for elimination of apple price prophesying.

In August 1953 USDA said apple crop to be larger than 1952 and prices accordingly lower. Buyers used this as authoritative. Actually, 1953 crop turned out four-tenths of 1 percent larger than 1952 and price level by USDA's own records was 9.6 percent higher than in 1952. This same has happened several times. Not only injures growers but accurate foretelling of future prices on perishable fruit is demonstrated impossibility which Government should not attempt.

CARROLL R. MILLER,
Secretary-Manager,
Appalachian Apple Service.

The PRESIDING OFFICER (Mr. SCOTT in the chair). The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 5239) was read the third time and passed.

Mr. RUSSELL. Mr. President, I move that the Senate insist on each of its amendments to the bill, request a conference with the House thereon, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to and the Presiding Officer appointed Mr. RUSSELL, Mr. HAYDEN, Mr. HILL, Mr. ROBERTSON, Mr. ELLENDER, Mr. YOUNG, Mr. MCCARTHY, and Mr. MUNDT conferees on the part of the Senate.

RELIEF FOR FARMERS AND FARMWORKERS

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of the motion made yesterday by the Senator from Delaware [Mr. WILLIAMS] to reconsider the vote by which Senate bill 1628 was passed.

The PRESIDING OFFICER. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (S. 1628) to provide relief for farmers and farmworkers suffering crop losses or loss of employment because of damage to crops caused by drought, flood, hail,

frost, freeze, wind, insect infestation, plant disease, or other natural causes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Delaware [Mr. WILLIAMS].

The motion was agreed to, and the Senate resumed the consideration of the bill.

Mr. WILLIAMS. Mr. President, yesterday when the bill was passed, it was inadvertently reported that the bill had the unanimous support of the Agriculture Committee. I want to get the record straight. Also, the bill was passed with the impression being given by some that the administration was likewise in favor of the bill. Neither report was correct.

In a letter dated April 11, 1955, Under Secretary True D. Morse, stated that the Department was opposed to the enactment of S. 1628 on the basis that it would not only be unworkable from an administrative standpoint but also extremely expensive.

It was pointed out that the purpose of the bill was to provide either 500,000 acres or 3 percent of the total acreage as an extra allotment to each of the basic commodities. This additional quota is extended as a relief measure to offset the losses caused by the recent drought and freezes suffered by farmers in some of the southern States.

I am sympathetic as far as the problems of the farmers in those States are concerned, but I think it is the wrong way to pass a relief measure. Besides, the relief in many instances would go to a group of farmers who were not affected at all by the recent freeze and other weather conditions.

If there is to be any relief measure, it should be brought in as such and voted on as such, rather than brought in through the back door by increasing acreage allotments on so-called basic commodities. This is a new way for the Government to underwrite losses sustained by weather, insects, drought, and so forth.

The Department has taken the position that the bill would be impossible to administer and that there would be no way to sit down and figure it out fairly among the different farmers as to the economic effect in their areas resulting from a drought or freeze.

Likewise, if we pass this bill, we would be establishing a precedent whereby the United States Government, without a crop-insurance plan, would, in effect, be insuring farmers, orchardists, and other types of operators against losses by Nature. If we do this for farmers in the South, then where will the demands stop? This is a most unwise procedure.

In my own State last year we had a visit from Hurricane Hazel, and there was a vast amount of damage done on our farms. It would have been just as logical to have come before Congress with a bill which would restore to our farmers the facilities which had been destroyed as it is to come before Congress with this bill to compensate the southern orchardists against loss sustained during the recent freeze. It is true the bill does not provide that the

farmers will receive so much money, but it does grant to them extra acreage allotments in a form of relief.

I agree with the Department that it would be difficult for the Secretary to survey the farm areas between now and crop time in order to arrive with any reasonable degree of accuracy at the amounts of acreage which should be allotted to the different farmers. This damage is just an excuse to raise acreage allotments on wheat, corn, cotton, tobacco, and peanuts at the expense of the taxpayers.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from Mississippi.

Mr. STENNIS. The Senator has made the point that the bill would be applied to cases which had not been affected by freeze or other disaster.

Mr. WILLIAMS. No.

Mr. STENNIS. That is the way I understood the Senator's remark. Section (b) on page 3 of the bill had been stricken out. Did the Senator know the committee had stricken that section out?

Mr. WILLIAMS. Yes.

Mr. STENNIS. With that section stricken out, the bill would apply only to distress caused by freeze, drought, or hail.

Mr. WILLIAMS. I understand that. I do not think the Government has any more responsibility in this particular instance than it did in the case of the hurricane which occurred last year or the hurricane which might occur this year. If we are going to give free insurance to everybody you had better stop and count the cost.

This would be establishing a dangerous precedent, one which would result in having the representatives of the various States in future years asking the Government to underwrite a free insurance program against all acts of nature.

We have a crop-insurance program in which the farmers can buy insurance for their crops and be entitled to damages. If now they can get damages without insurance why should anyone pay?

This proposal is something new and something not heretofore provided in the case of damage suffered by farmers in any other area.

Unquestionably this bill should be defeated.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a letter signed by the Under Secretary of Agriculture, under date of April 11 objecting to S. 1628.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., April 11, 1955.

HON. ALLEN J. ELLENDER,
Chairman, Senate Committee on Agriculture and Forestry, United States Senate.

DEAR SENATOR ELLENDER: This is in response to a telephone request on April 5 from the clerk of your committee asking for the Department's view on S. 1628.

The purpose of S. 1628 is to provide relief to farmers adversely affected by weather or other natural disasters. It authorizes and directs the Department to increase farm

acreage allotments of farmers who apply for an increase and whose livelihood is endangered by the destruction or damage by natural hazards of one or more of their important crops. The amount of increase to be granted in such cases is to be that acreage which, together with the other crops produced on the farm, will enable the operator to earn a livelihood for himself and his family. The Department would be limited in the acreage to be used in this manner to the smaller of (1) 500,000 acres, or (2) 3 percent of the national allotment established for any commodity.

The economic effect of disasters is recognized and the difficulties of the farmers affected are sympathetically understood. It is the desire of the Department to alleviate insofar as possible the difficulties caused by disaster. The Department is in complete accord with the laudable purpose of this bill which is to help relieve farm distress wrought by natural disasters. However, we believe the acreage allotment and marketing quota programs are not the proper vehicle for providing such relief. As you are aware, the purpose of these programs is to help keep production in line with effective demand. However, the provisions of this bill are contrary to this purpose.

All of our major crops except peanuts are in surplus supply, and for the first time in many years, acreage allotments are in effect for corn, wheat, cotton, tobacco, peanuts, and rice.

We oppose S. 1628 for the following reasons:

1. It would be difficult to administer. Disasters of varying intensity occur in many parts of the country almost every year. There are few farmers who could not justifiably claim that they have suffered severe damage from the vicissitudes of weather, disease, and pests at one time or another during the growing season. This could involve us in a continuous review and adjustment of allotments of individual farmers adversely affected. It appears unfair that farmers adversely affected late in the growing season could receive no relief from this source, whereas their neighbors adversely affected at an earlier date, could. Also, it would be difficult, if not impossible to determine how much increase in allotment should be granted to individual producers. How much acreage would be required of any crop to assure a livelihood for the operator and his family, taking into consideration other crops on the farm and the size and economic status of the farm family, would involve the exercise of judgment decisions by our more than 3,000 farmer committees, which neither they nor we could discharge with a fair degree of accuracy or equity as between farmers.

2. The bill would be expensive to administer. As you are aware, our present budget includes \$39 million a year to administer acreage allotment and marketing quota programs. The additional work in making necessary adjustments entailed in carrying out the bill would add greatly to the present expense. The exact amount would be difficult to determine in the absence of experience. In addition to the administrative expense, additional program expense would be involved in supporting the price of the commodities grown on the additional acreage allotted over and above that presently authorized or required.

3. The bill would set a dangerous precedent by using acreage allotment programs for insurance or relief purposes which they are not designed to serve. The bill is completely contrary to recent legislation authorizing additional reductions in burley tobacco acreage allotments to adjust supplies in line with demand. The additional allotments called for by this bill can only serve to further aggravate existing disparities between supplies and market outlets for crops under

control. Producers of basic commodities who are making very steep reductions in their acreage in an effort to bring about better balance in production should not be required to shoulder the burden of providing disaster insurance. Disasters are a matter of concern to everyone, and we believe that any relief granted should be through recovery measures in which the general public participates.

Under existing law the Department has authorized the making of emergency loans to eligible farmers who have suffered substantial losses as a result of the recent freeze and are not able to obtain from other established sources the credit needed to continue their normal operations, including the maintenance and care of orchards. Although it is expected that these loans will be repaid as rapidly as possible, consideration is given to the circumstances of the farmers in each area in the determination of terms and security policies relating to the making of these loans.

If the Congress feels that something more than the disaster loans or drought feed programs presently provided by legislation is needed, such relief should be provided outside the acreage allotment and marketing quota program.

The Bureau of the Budget advises that, from the standpoint of the program of the President, there is no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE,
Acting Secretary.

Mr. WILLIAMS. Mr. President, in order to clear up any misunderstanding that as a result of the committee amendment to which the Senator from Mississippi has referred the Department has changed its position, I shall now read into the RECORD a letter dated April 25, signed by the Acting Secretary of Agriculture, True D. Morse. The letter is very brief, and it reads as follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, April 25, 1955.

HON. JOHN J. WILLIAMS,
United States Senate.

DEAR SENATOR WILLIAMS: This is in reply to your inquiry of today regarding S. 1628. There has been no change in the position of the Department of Agriculture on the bill from that reported to the Senate Committee on Agriculture and Forestry under date of April 11, 1955.

Sincerely yours,

TRUE D. MORSE,
Acting Secretary.

Mr. President, the technical change made in the bill, while perhaps improving it somewhat, does not eliminate the criticism made by the Secretary of Agriculture; namely, that the bill would be unworkable. The Secretary does not think that either his agency or any other agency could in all fairness administer the bill, even assuming that it had merit.

If we are to have a relief program, it should be enacted as such. If the claim cannot stand on its own feet let it fall. For Congress to underwrite the loss which has been suffered by particular farmers as a result of weather conditions is unfair to all other farmers who shoulder their own responsibilities. For that reason alone, Mr. President, I think the bill should be defeated.

Mr. JOHNSTON of South Carolina. Mr. President, will my colleague yield to me?

Mr. THURMOND. I yield.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued May 3, 1955
For actions of May 2, 1955
84th-1st, No. 71

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HIGHLIGHTS; Senate committee reported appropriation bill which includes Forest Service items. House conferees were appointed on USDA appropriation bill. House committee ordered reported bills to donate flour and meal to needy, repeal REA State formula, give CEA subpoena power; authorize land banks to purchase FFMC assets. Senate debated trade agreements bill. Sen. Clements commended tobacco referendum results and spoke in favor of 90% price supports. Sen. Humphrey urged farmers to continue wheat quotas and criticized flexible price supports. Sen. Martin, Pa., introduced and discussed bill to provide more State participation in water projects.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL, 1956. Reps. Whitten, Marshall, Deane, Natcher, Cannon, Andersen, Horan, Vursell, and Taber were appointed House conferees on this bill, H. R. 5239 (p. 4522). The conferees met but did not complete their work (p. D361).
2. SURPLUS COMMODITIES. The Agriculture Committee ordered reported (with an amendment in the nature of a substitute) H. R. 2851, providing for HEW to purchase flour and meal from USDA and donate it to the needy (p. D359).
3. PERSONNEL. Passed without amendment H. R. 3948, to remove the limitation that uniform allowances may be provided only to those who were required to wear uniforms when the Federal Employees Uniform Allowance Act was passed in 1954 (p. 4527). This bill will now be sent to the President.
Rep. Pelly spoke in favor of immediate passage of a classified pay raise bill (p. 4525).
4. FORESTRY. Passed without amendment H. R. 2679, to protect scenic values along Oak Creek Canyon in Coconino National Forest, Ariz. (p. 4527). A companion bill, S. 52, has been reported in the Senate.

5. WATER RESOURCES. Passed as reported H. R. 208, consenting to a compact between Ark. and Okla. regarding Arkansas River waters (p. 4529). This bill had been reported earlier in the day with amendment (H. Rept. 463)(p. 4534).
6. RURAL ELECTRIFICATION; COMMODITY EXCHANGES; FARM CREDIT. On Apr. 29 the Agriculture Committee voted to report H. R. 5376, to repeal the State allotment formula for REA; H. R. 4514, to authorize subpoenas under the Commodity Exchange Act; and S. 941, to authorize the Federal land banks to purchase certain remaining assets of the Federal Farm Mortgage Corporation (p. D359).
7. LAND TRANSFER. The Agriculture Committee ordered reported H. R. 1762, to direct sale of a tract of ARS land to Woodward, Okla. (p. D359).
8. BANKING AND CURRENCY. Both Houses received a message from the President recommending U. S. membership in the International Finance Corporation (H. Doc. 152); to Banking and Currency Committees (pp. 4522-3, 4516).
9. COOPERATIVES. Rep. Mason spoke in favor of H. R. 141, to amend the Capper-Volstead Act so as to provide for antitrust actions against large farmer cooperatives under certain circumstances (p. 4533).
10. FHA AUDIT. Received from the Comptroller General a report on the audit of the Farmers' Home Administration; to Government Operations Committee (p. 4534).
11. CHEESE. Rep. Johnson, Wis., announced that Wisconsin cheese would be served in the Capitol dining rooms (pp. 4524-5).

SENATE

12. INTERIOR AND RELATED AGENCIES APPROPRIATION BILL FOR 1956. The Appropriations Committee reported with amendments this bill, H. R. 5085 (S. Rept. 261)(p. 4472). Attached is a table showing actions relating to FS and ARS. In addition, the committee added \$100,000 for weed control by the Bureau of Land Management. The bill also includes \$400,000 for salt-water research and \$390,000 for the Virgin Islands Corporation. Majority Leader Johnson indicated that the bill will probably be debated this week (pp. 4517-8, 4520).
13. TRADE AGREEMENTS. Began debate on H. R. 1, the trade agreements extension bill, adopted all committee amendments (See Digest 68) en bloc; agreed that the bill, as so amended, would be considered as original text for the purpose of further amendment; and adopted a technical, clarifying amendment by Sen. Byrd (pp. 4489-90, 4493-4510, 4512-20).

During debate on this bill Senators Byrd and Thye discussed the provisions to impose quotas on agricultural products under sec. 22 of the Agricultural Adjustment Act (pp. 4497-8), Sen. Robertson stated that the cotton-textile industry has little to fear from enactment of the bill (pp. 4506-8), and Sen. Mansfield stated that one of the most important answers to the agricultural surplus problem is an expanded foreign market (pp. 4513-6).
14. TOBACCO ALLOTMENTS; PRICE SUPPORTS. Sen. Clements stated that the results of the burley tobacco referendum demonstrate "an overwhelming acceptance by the growers of further reductions in acreage," and spoke in favor of 90% price supports on basic commodities (pp. 4483-4). Sen. Barkley commended the burley tobacco farmers on "this magnificent vote" for reduced acreage allotments (pp. 4483-4).

House of Representatives

MONDAY, MAY 2, 1955

The House met at 12 o'clock noon. The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou who art the God and Father of all mankind, may we begin this new day with an earnest desire to be loyal coworkers with Thee and with one another in the great enterprise of building the kingdom of peace and good will.

Strengthen and encourage us in our endeavors to penetrate and pierce the world's darkness and shadows with the mind and spirit of the lowly Man of Galilee and bring to light its hidden moral and spiritual treasures.

May we be willing and able to break through and break down all the barriers of prejudice and selfishness which keep men and nations from brotherhood and a true understanding and valuation of the worth and dignity of every member of the human family.

Inspire us to make adventures of friendship and may we always try to see the best in others, to believe in it, and to trust it.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of Thursday, April 28, 1955, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Tribbe, one of his secretaries, who also informed the House that on the following dates the President approved and signed a joint resolution and bills of the House of the following titles:

On April 27, 1955:

H. J. Res. 184. Joint resolution to designate the 1st day of May 1955 as Loyalty Day.

On April 30, 1955:

H. R. 2839. An act to amend the rice marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; and H. R. 4356. An act to amend the Agricultural Adjustment Act of 1938, with respect to rice allotment history.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 107. Joint resolution to permit the United States of America to release reversionary rights in a 36,759-acre tract to the Vineland School District of the county of Kern, State of California.

The message also announced that the Senate had passed bills, a concurrent

resolution, and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 14. An act to direct the Secretary of the Army to convey certain property located in Austin, Travis County, Tex., to the State of Texas;

S. 148. An act to direct the Secretary of the Army to convey certain property located in Polk County, Iowa, and described as Camp Dodge and Polk County target range, to the State of Iowa;

S. 653. An act to provide for the conveyance of Jackson Barracks, La., to the State of Louisiana, and for other purposes;

S. 933. An act to facilitate the settlement of the accounts of deceased members of the uniformed services, and for other purposes;

S. 1094. An act to amend section 402 of the Federal Employees Uniform Allowance Act, approved September 1, 1954;

S. 1271. An act to authorize the appointment in a civilian position in the Department of Justice of Brig. Gen. Edwin B. Howard, United States Army, retired, and for other purposes;

S. 1272. An act to authorize the appointment in a civilian position in the Department of Justice of Maj. Gen. Frank H. Partridge, United States Army, retired, and for other purposes;

S. Con. Res. 23. Concurrent resolution relating to the importance of hospitals and the appropriate observance of National Hospital Week; and

S. J. Res. 60. Joint resolution directing a study and report by the Secretary of Agriculture on burley tobacco marketing controls.

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 55-14.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATIONS, 1956

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5239) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1956, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi? [After a pause]. The Chair hears none and appoints the following conferees: Messrs. WHITTEN, MARSHALL,

DEANE, NATCHER, CANNON, HORAN, VURSELL, TABER, and H. CARL ANDERSEN.

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report on the bill (H. R. 5239) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1956, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

INTERNATIONAL FINANCE CORPORATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 152)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Banking and Currency and ordered to be printed:

To the Congress of the United States:

The establishment of the International Finance Corporation and our participation in it will strengthen the partnership of the free nations. In my message to the Congress, January 10, 1955, on the foreign economic policy of the United States and in my annual economic report transmitted to you January 20, 1955, I stated that I would recommend at the appropriate time legislation to permit United States participation in the Corporation as part of our effort to increase the flow of United States private investment funds abroad.

I now forward to you the articles of agreement of the International Finance Corporation and an explanatory memorandum approved by the Executive Directors of the International Bank for Reconstruction and Development. I recommend that the Congress enact legislation authorizing me to accept membership in the Corporation for the United States and providing for the payment of our subscription of \$35,168,000 to the \$100 million capital stock of the Corporation as set forth in the articles of agreement. The subscription was included in the budget.

The entire free world needs capital to provide a sound basis for economic growth which will support rising standards of living and will fortify free social and political institutions. Action to that end by cooperating nations is essential.

In its own enlightened self-interest, the United States is vitally concerned that capital should move into productive activities in free countries unable to

Howard Benton Thorsen
Howard Michael Veillette
George Edward Walton
Robert Ireton Welsh, Jr.
Norman Randolph West
Jimmie Dale Woods

POSTMASTERS

ARIZONA

Leonard O. Vittitow, Eloy.

CALIFORNIA

Wyvonne R. Bibb, Alpaugh.
James I. Bailiff, Arcadia.
John H. Shepard, Carpinteria.
Albert B. McVeigh, Eldridge.
Guido Berti, Greenfield.
Bruce L. Hunt, Paradise.
Lawrence W. Elledge, Trona.
Maxine M. Spradling, Vernalis.

CONNECTICUT

Robert A. Chadsey, Middlefield.

DELAWARE

Elwood B. Rickards, Selbyville.

GEORGIA

Mildred B. Pierce, Waverly Hall.

IDAHO

David P. Woodard, Sandpoint.

IOWA

Oscar J. Hertel, Burlington.
Paul R. Bender, Monticello.

KANSAS

Gertrude M. Retter, Denton.
Harold H. Bennett, Haviland.
Max R. Donahey, Logan.

LOUISIANA

John E. Bishop, Lacombe.

MAINE

Joseph S. Dinsmore, Bangor.
Elmer C. Davis, Northeast Harbor.
Everett W. Harrington, Winthrop.

MASSACHUSETTS

Joseph A. Cunis, Ashland.
Alfred G. Davis, Lincoln.
Barbara J. Coombs, South Harwich.

MISSOURI

Perry M. Sprague, Fair Play.
George O. Clarke, Laddonia.
Fred W. Aderhold, Purdy.

NEBRASKA

Louis Kerst, Crete.
Duane M. Vannice, Halsey.

NEVADA

Alice M. Gabler, Zephyr Cove.

NEW HAMPSHIRE

Reginald W. Stevens, Wolfeboro Falls.

NORTH CAROLINA

Hugh D. Bradner, Yanceyville.

OHIO

Joseph M. Alcorn, North Lima.

OREGON

Jack R. Bailey, Scio.

PENNSYLVANIA

Arthur C. Tidd, Avonmore.
Norman L. Foust, East Brady.
Roy D. Cunningham, Farmington.
Eugene E. Thompson, Foxburg.
Charles F. Yost, New Holland.

WASHINGTON

William A. Penn, Bothell.

WEST VIRGINIA

Elmer K. Beitz, Buffalo.
Kathleen M. Fry, East Lynn.
Mary P. Evans, Minden.

WISCONSIN

Robert H. Prideaux, Dodgeville.

IN THE ARMY

The nominations of Donald Arthur Andrews and 325 other cadets, United States Military Academy, for appointment in the Regular Army of the United States, in

the grade of second lieutenant, effective June 3, 1955, upon their graduation, under the provisions of section 506 of the Officer Personnel Act of 1947, which were confirmed today, were received by the Senate on April 25, 1955, and may be found in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date, under the caption "Nominations," beginning with the name of Donald Arthur Andrews, which appears on page 4293, and ending with the name of Edward John Zaborowski, which is shown on page 4294.

The nominations of Jerry L. Hoover and 134 other distinguished military students for appointment in the grade of second lieutenant in the Regular Army of the United States, which were confirmed today, were received by the Senate on April 25, 1955, and may be found in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date, under the caption "Nominations," beginning with the name of Jerry L. Hoover, which is shown on page 4292 and ending with the name of Daniel R. Zenk, appearing on page 4293.

IN THE NAVY AND IN THE MARINE CORPS

The nominations of Paul L. Abernathy, Jr., and 1,559 other persons' for appointment in the Navy and in the Marine Corps, which were confirmed today, were received by the Senate on April 25, 1955, and may be found in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date, under the caption "Nominations," beginning with the name of Paul L. Abernathy, Jr., which is shown on page 4294, and ending with the name of Walter N. Yanochik, which appears on page 4297.

This group includes appointments as ensigns in the Navy and second lieutenants in the Marine Corps of this year's Naval Academy graduates, as well as a group of NROTC and Reserve appointments in the Navy and Marine Corps.

APPROPRIATIONS—AGRICULTURE

Conferees met in executive session to resolve the differences between the Senate- and House-passed versions of H. R. 5239, fiscal 1956 appropriations for the Depart-

ment of Agriculture and the Farm Credit Administration, but did not complete their work. *Conferees* recessed subject to call.

BILLS SIGNED BY THE PRESIDENT

New Laws

(For last listing of public laws, see DIGEST, p. D353)

H. R. 2839, providing for reapportionment of rice acreage allotments voluntarily surrendered to county committees. Signed April 30, 1955 (P. L. 27).

H. R. 4356, to amend the Agricultural Adjustment Act with respect to rice allotment history. Signed April 30, 1955 (P. L. 28).

COMMITTEE MEETINGS FOR TUESDAY, MAY 3

(All meetings are open unless otherwise designated)

Senate

Committee on Appropriations, Subcommittee on Defense Appropriations, 10 a. m., room F-39, Capitol; Subcommittee on H. R. 5240, Independent Offices Appropriations, 10 a. m., room F-37, Capitol; Subcommittee on Public Works, 2 p. m., room F-39, Capitol.

Committee on Foreign Relations, Subcommittee on United Nations Charter, to hear Ambassador Lodge, 10 a. m., room P-38, Capitol.

Committee on Government Operations, Permanent Subcommittee on Investigations, to hear FOA Director Stassen with regard to grain storage investigation, 10 a. m., 357 Senate Office Building.

Committee on Interior and Insular Affairs, full committee, executive, on S. 1633 and S. 1650, Alaska bills, 9:50 a. m.; Irrigation and Reclamation Subcommittee, on S. 1333, Hells Canyon Dam project, 10 a. m., both in 224 Senate Office Building.

Committee on Interstate and Foreign Commerce, Aviation Subcommittee, on S. 308 and 1119, omnibus aviation bills, 10 a. m., room G-16, Capitol.

Committee on the Judiciary, Antitrust and Monopoly Subcommittee, on report of Attorney General's Committee To Study the Antitrust Laws, 10 a. m., 424 Senate Office Building.

Committee on Labor and Public Welfare, Labor Subcommittee, to continue hearings on proposed amendments to the Fair Labor Standards Act, 10 a. m., room P-63, Capitol.

House

Committee on Agriculture, Poage subcommittee on H. R. 4176, making feed available to farmers, ranchers, and stockmen for use in feeding working stock and hogs (same as P. L. 115, 83d Cong.), and H. R. 4576, relating to Federal indemnity for swine infected with vesicular exanthema, 10 a. m., 1310 New House Office Building.

Committee on Armed Services, executive, on doctors' draft bill, 10 a. m., 313 Old House Office Building.

Committee on Banking and Currency, executive, on H. R. 2674, to regulate bank holding companies, 10:30 a. m., 1301 New House Office Building.

Committee on Education and Labor, on legislation providing for Federal assistance to States for school construction, 10 a. m.,

429 Old House Office Building. National Education Association officials are scheduled to testify.

Committee on Foreign Affairs, executive session to mark up the draft bill to amend the International Claims Settlement Act of 1949, 10:30 a. m., G-3, Capitol.

Committee on Government Operations, Brooks (Texas) subcommittee on GSA's negotiated sale of the Government-owned alumina plant in Laramie, Wyo., 10 a. m., 1501 New House Office Building.

Committee on Interior and Insular Affairs, regular meeting day, followed by the Aspinall subcommittee on H. R. 4663, to construct, operate, and maintain the Trinity River Division, Central Valley project, California, 10 a. m., 1324 New House Office Building.

Committee on Interstate and Foreign Commerce, Subcommittee on Transportation and Communications, executive hearing with CAA officials on air navigational aids, 10 a. m., 1334 New House Office Building.

Committee on the Judiciary, Subcommittee No. 5 on wiretapping legislation, 10 a. m., 346 Old House Office Building.

Committee on Merchant Marine and Fisheries, on H. R. 5875, 5224, and 3399, Coast Guard bills, 10 a. m., 219 Old House Office Building.

Committee on Post Office and Civil Service, Kilgore subcommittee on H. R. 4585, to simplify procedures governing the mailing of certain publications of church organizations, 10:30 a. m., 213 Old House Office Building.

Committee on Public Works, to resume hearings on Federal-aid highway legislation, 10 a. m., New House Office Building.

Committee on Rules, May 3, to consider rules on H. R. 5297, the National Reserve Force Plan; and H. R. 2126, research in the development and utilization of saline waters. Will also consider H. Res. 137, study of forced repatriation program (1945-47) carried out by our military-civilian authorities; H. Res. 194, relating to joint introduction of House measures; and H. Res. 205, to require yea-and-nay votes in the case of final action on appropriation bills, 10:30 a. m., G-3, Capitol.

Committee on Un-American Activities, May 3, Moulder subcommittee hearing relating to communistic activities in New York City area, 10 a. m., Caucus Room, 362 Old House Office Building.

Committee on Ways and Means, executive session on pending subjects, 10 a. m., 1102 New House Office Building.

Select Committee on Survivors' Benefits, to resume public hearings with officials of the Social Security Administration, and others, 2 p. m., 304 Old House Office Building.

Joint Committees

Joint Committee on Atomic Energy, Military Applications Subcommittee, executive, to hear AEC representatives, 2 p. m., room F-88, Capitol.

Joint Committee on the Economic Report, Subcommittee on Economic Statistics, executive, 12:30 p. m.

Conferees, executive, on S. 1, postal pay bill, 9:30 a. m., 135 Senate Office Building.

Conferees, executive, on H. R. 2225, local-service air carriers, 2:30 p. m., room G-16, Capitol.

Résumé of Congressional Activity

FIRST SESSION OF EIGHTY-FOURTH CONGRESS

The first table gives a comprehensive résumé of all legislative business transacted by the House and Senate during the session, January 5, 1955, through April 30, 1955.

The second table accounts for all nominations submitted to the Senate by the President for Senate confirmation.

DATA ON LEGISLATIVE ACTIVITY

January 5 through April 30, 1955

	Senate	House	Total
Days in session.....	49	56	..
Time in session.....	220 hrs., 46'	172 hrs., 09'	..
Congressional Record:			
Pages of proceedings....	2, 570	1, 898	4, 468
Appendix	..	..	2, 884
Public bills enacted into law..	10	18	28
Private bills enacted into law.	2	..	2
Bills in conference.....	1	2	3
Bills through conference.....	..	3	3
Measures passed, total.....	245	448	..
Senate bills	147	11	..
House bills	19	317	..
Senate joint resolutions..	5	3	..
House joint resolutions..	5	7	..
Senate concurrent resolutions.....	7	2	..
House concurrent resolutions.....	7	9	..
Simple resolutions.....	55	99	154
Measures reported, total.....	*298	*441	..
Senate bills	164	5	..
House bills	20	355	..
Senate joint resolutions..	10	..	..
House joint resolutions..	3	8	..
Senate concurrent resolutions.....	10	1	..
House concurrent resolutions.....	7	8	..
Simple resolutions.....	84	64	148
Special reports	12	17	..
Conference reports.....	..	4	..
Reported measures not acted on.....	**35	**41	..
Measures introduced, total...	2, 047	6, 572	8, 619
Bills.....	1, 856	5, 935	7, 791
Joint resolutions.....	67	294	361
Concurrent resolutions..	29	118	147
Simple resolutions.....	95	225	320
Quorum calls.....	24	19	43
Yea-and-nay votes.....	32	23	55
Bills vetoed.....	..	..	..
Vetoës overridden.....	..	..	..

*These figures on measures reported include all placed on calendar or acted on by Senate even if there was no accompanying report. A total of 259 reports has been filed in the Senate; a total of 462 has been filed in the House.

**This figure does not agree with the total difference between bills reported and bills passed, because resolutions and bills placed on the House Calendar without having been formally reported were not included in figures of measures reported to the House; the difference in the case of Senate figures is due to uncounted bills "laid on the table" or "indefinitely postponed."

DISPOSITION OF EXECUTIVE NOMINATIONS

January 5 through April 30, 1955

Postmaster nominations, totaling 947, disposed of as follows:	
Confirmed	409
Withdrawn.....	3
Rejected	1
Unconfirmed	534
Army nominations, totaling 3,279, disposed of as follows:	
Confirmed	2, 433
Withdrawn.....	None
Rejected.....	None
Unconfirmed	846
Air Force nominations, totaling 2,170, disposed of as follows:	
Confirmed	2, 166
Withdrawn.....	None
Rejected.....	None
Unconfirmed	4
Navy nominations, totaling 9,381, disposed of as follows:	
Confirmed	7, 932
Withdrawn.....	None
Rejected.....	None
Unconfirmed	1, 449
Marine Corps nominations, totaling 7,936, disposed of as follows:	
Confirmed	7, 822
Withdrawn.....	None
Rejected.....	None
Unconfirmed	114
Civilian nominations other than postmasters, totaling 1,135, disposed of as follows:	
Confirmed	1, 037
Withdrawn.....	1
Rejected.....	None
Unconfirmed	97

Summary

Total nominations received.....	24, 848
Total withdrawn.....	4
Total rejected.....	1
Total unconfirmed	3, 044
Total confirmed.....	21, 799

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued May 17, 1955
For actions of May 16, 1955
84th-1st, No. 80

CONTENTS

Agricultural	Foreign aid.....26	Reclamation.....8,14,23
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Cotton.....18	Labor.....14	Transportation.....10
County agent.....21	Lands.....7,15	Travel.....9
Dairy industry.....20	Minerals.....7	Water, research.....2,19
Diverted acres.....20	Organization, executive..4	resources.....4
Farm program.....17,26	Personnel.....12,22	compact.....13
Fire protection.....3	Price supports.....18	
Food.....5,24	Property.....9	

HIGHLIGHTS: House received conference report on USDA appropriation bill. House passed salt water research bill. House passed inter-agency fire protection agreements bill. Ready for President. Senate committee ordered reported bill to increase per diem allowances.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL, 1956. Received the conference report on this bill, H. R. 5239 (H. Rept. 590) (pp. 5386-7). Attached to this Digest are statements pertaining to the measure.
2. SALT-WATER RESEARCH. Passed without amendment H. R. 2126, to expand the Interior Department's salt-water research program (pp. 5388-5402).
3. FOREST FIRES. Passed without amendment S. 1006, to authorize the execution of agreements between agencies of the U. S. and other agencies and instrumentalities for mutual aid in fire protection (pp. 5402-4). This bill will now be sent to the President.
4. REORGANIZATION. Passed without amendment S. 1763, to extend for one month (until June 30, 1955) the time for liquidation of the Hoover Commission (p. 5396). This bill will now be sent to the President.
Rep. Karsten insisted that the report of the Hoover Commission Task Force on Water Resources and Power be made public at once (p. 5405).
5. SURPLUS FOOD. Rep. Mack discussed the program for the distribution of surplus commodities in Ill. (p. 5409).
6. APPROPRIATIONS. The Appropriations Committee reported H. R. 6239, the D. C. appropriation bill for 1956 (H. Rept. 589) (p. 5411).
7. LANDS. The Interior and Insular Affairs Committee ordered reported with amendment S. 265 and H. R. 1814, to amend acts authorizing agricultural entries under the nonmineral land laws of certain mineral lands in order to increase

the limitation with respect to desert entries made under such act; and H. R. 4894, to repeal laws authorizing sale of public lands which are valuable chiefly for timber and stone (p. D419).

8. RECLAMATION. The Interior and Insular Affairs Committee ordered reported with amendment H. R. 4663, to authorize the Trinity River division, Central Valley project, Calif. (p. D419).

SENATE

9. SURPLUS PROPERTY; TRAVEL; BUDGET. The Government Operations Committee ordered reported with amendment H. R. 3322, to amend the Federal Property and Administrative Services Act of 1949, so as to improve the administration of the program for the utilization of surplus property for educational and public health purposes; S. 1795, to amend the Travel Expense Act of 1949, to provide an increased maximum per diem allowance for subsistence and travel expenses; and S. 1805, to amend the Legislative Reorganization Act of 1946 to create a Joint Committee on the Budget (pp. D417-8).

BILLS INTRODUCED

10. TRANSPORTATION. H. R. 6246, by Rep. Bonner, to amend section 4153 of the Revised Statutes, as amended, to authorize more liberal propelling power allowances in computing the net tonnages of certain vessels; to Merchant Marine and Fisheries Committee (p. 5411).

H. R. 6271, by Rep. Pelley, providing relief against certain forms of discrimination in interstate transportation; to Interstate and Foreign Commerce Committee (p. 5412).

11. GUAM. H. R. 6254, by Rep. Engle, to implement section 25 (b) of the Organic Act of Guam by carrying out the recommendations of the Commission on the Application of Federal Laws to Guam; to Interior and Insular Affairs Committee (p. 5411).

12. PERSONNEL. H. R. 6255, to amend the Civil Service Retirement Act of May 29, 1930, as amended, to increase the annuities of present and future annuitants; to Post Office and Civil Service Committee (p. 5411).

H. R. 6273, by Rep. Teague, Calif., to amend the Civil Service Retirement Act of May 29, 1930, as amended; to Post Office and Civil Service Committee (p. 5412).

13. WATER COMPACT. H. R. 6256, by Rep. George, granting the consent of Congress to the States of Kansas and Oklahoma, to negotiate and enter into a compact relating to their interests in, and the apportionment of the waters of the Arkansas River and its tributaries as they affect such States; to Public Works Committee (p. 5411).

14. RECLAMATION. H. R. 6257, by Rep. Green, Ore., to terminate the prohibition against employment of Mongolian labor in the construction of reclamation projects; to Interior and Insular Affairs Committee (p. 5411).

H. R. 6268, by Rep. Metcalf, to facilitate the construction of drainage works and other minor items on Federal reclamation and like projects; to Interior and Insular Affairs Committee (p. 5411).

15. LANDS. H. R. 6278, to authorize the conveyance for public purposes of certain lands in the State of Georgia; to Agriculture Committee (p. 5412).

Conference Report -- Agricultural Appropriations for 1956
 (Reported May 16, 1955)

Funds and Principal Language Changes

Amend- ment No.		Increases and Decreases	
		Senate	Conference
		Compared	Action
		With	Compared With
		House Bill	House Bill
	: AGRICULTURAL RESEARCH SERVICE:		
	: Salaries and expenses:		
	: Research:		
1	: <u>Senate and Conferees</u> provided increases:		
	: as follows:		
	: Restoration of House cut	+\$684,000:	+\$684,000
	: Additional funds recommended by the:		
	: Senate for research on effect of :		
	: acreage reductions on farm income:		
	: and the general economy, improve- :		
	: ment, operation, and maintenance :		
	: of the National Arboretum, re- :		
	: search on problems of the bee- :		
	: keeping industry, farm electrifi- :		
	: cation research, research on :		
	: screwworm eradication, research :		
	: on the burrowing nematode, and :		
	: home economics research	+356,000;	+116,000
	: Total	+1,040,000:	+800,000
	: Conference report states as follows:		
	: "The final amount agreed to includes suf-		
	: ficient funds to provide for research :		
	: projects inserted by the Senate and :		
	: emphasized in the Senate report, in- :		
	: cluding \$100,000 for research on acre-		
	: age reductions and \$50,000 additional :		
	: for the National Arboretum. The con- :		
	: ferees are also in full agreement that:		
	: the recent action of the Department :		
	: decreasing attention to home-economics:		
	: research should be reviewed and a por-		
	: tion of the funds transferred to human:		
	: nutrition should be redirected to its :		
	: original purpose, as contemplated by :		
	: the amendment adopted in the Senate."		
2	: <u>House</u> inserted language earmarking :		
	: not less than \$200,000 for a :		
	: special study on the effect of :		
	: acreage reductions on the local :		
	: and national economy. :		
	: <u>Conferees</u> agreed with Senate :	Senate	House
	: action. :	struck	agrees

		Increases and Decreases	
Amend- ment No.		Senate	Conference
		Compared	Action
		With	Compared With
		House Bill	House Bill
	: AGRICULTURAL RESEARCH SERVICE (Cont'd)		
	: Salaries and expenses: (Cont'd)		
	: Plant and animal disease and pest control:		
3 and	: <u>Senate and Conferees</u> provided increases:		
4	: as follows:		
	: Budget amendment in Senate Document:		
	: No. 30 for control of emergency		
	: outbreaks of insects and plant		
	: diseases (increase in contingency:		
	: fund)	+700,000:	+600,000
	: For plant quarantines	+308,700:	+308,700
	: Total	+1,008,700:	+908,700
	: FEDERAL EXTENSION SERVICE:		
	: Penalty mail (for cooperative extension		
	: agents):		
5	: <u>Senate</u> partially restored House cut ...	+300,000:	+150,000
	: SOIL CONSERVATION SERVICE:		
	: Conservation operations:		
6	: <u>Senate</u> provided increase for additional		
	: technical assistance to farmers and		
	: ranchers, including soil surveys.	+1,387,421:	+687,421
	: AGRICULTURAL CONSERVATION PROGRAM:		
7 and	: <u>Senate</u> restored House cut in the administra-	(+500,000)	(+300,000)
8	: tive expense limitation.		
9 and	: <u>Senate</u> deleted language inserted by the		
10	: House and restored language proposed in		
	: the Budget relative to the transfer of 5%:		
	: of funds available for payments to other		
	: agencies for services of technicians.		
	: <u>Conferees</u> agreed with House action.	Senate	Senate
		revised	recedes
	: AGRICULTURAL MARKETING SERVICE:		
	: Marketing research and agricultural estimates:		
11	: <u>Senate and Conferees</u> provided increases		
	: as follows:		
	: Study of price spread between the		
	: farmer and the consumer, and crop		
	: livestock reporting work in Hawaii.	+115,000:	+65,000
	: Conference report stated, as follows:		
	: "The conference committee is in full		
	: agreement that the July crop reports for:		
	: popcorn and honey should be reinstated		
	: within the amount appropriated."		

		Increases and Decreases	
Amend- ment No.		Senate	Conference
		Compared	Action
		With	Compared With
		House Bill	House Bill
:AGRICULTURAL MARKETING SERVICE: (Cont'd)			
12	: House inserted language earmarking		
	: \$1,000,000 for study of price spread		
	: between the farmer and the consumer.		
	: Senate deleted.		
	: Conferees restored the House language	:Senate struck:	Conferees revised
	: but changed the amount earmarked from		
	: \$1,000,000 to \$250,000.		
	: Marketing services:		
13	: Senate provided an increase to cover a		
	: part of the indirect overhead costs of		
	: poultry and egg inspection services.	: +200,000:	+150,000
:FOREIGN AGRICULTURAL SERVICE:			
14	: House inserted language limitation requir-		
	: ing use of \$500,000 on special study of		
	: foreign production and competition.		
	: Senate deleted.		
	: Conferees restored the House language but:		
	: changed the amount earmarked from	: Senate	: Conferees
	: \$500,000 to \$250,000.	: struck	: revised
:COMMODITY STABILIZATION SERVICE:			
: Agricultural Adjustment Programs:			
15	: Senate restored House cut in limitation		
	: on the amount which may be transferred		
	: to Administrative Expenses, Section 392:	: (+665,000):	(+500,000)
	: Sugar Act Program:		
16	: Senate restored House cut in administra-		
	: tive expense limitation.	: (+177,000):	(+135,000)
:FARMERS' HOME ADMINISTRATION:			
: Preamble:			
17	: Senate revised citation reference to sub-		
	: stantive legislation, in order to		
	: eliminate reference to a section in law:		
	: repealed by Public Law 597, approved		
	: August 17, 1954. Conferees agreed	: Senate	: House
	: with Senate action.	: revised	: agrees
	: Salaries and expenses:		
18	: Senate restored House cut in the limita-		
	: tion on the amount of fees and admini-		
	: strative expense charges resulting from:		
	: the insured loan programs which could		
	: be transferred to this appropriation.	: (+100,000):	(+50,000)
19	: Senate inserted citation reference to sub-		
	: stantive legislation authorizing soil		
	: and water conservation insured loans.		
	: Conferees agreed with Senate action.	: Senate	: House
		: inserted	: agrees

Amend- ment No.		Increases and Decreases	
		Senate	Conference
		Compared	Action
		With	Compared With
		House Bill	House Bill
	: OFFICE OF THE GENERAL COUNSEL:		
	: Salaries and expenses:		
20	: <u>Senate</u> restored House cut	+85,000:	+21,000
21	: <u>Senate</u> restored House cut in limitation		
	: on amount to be transferred from CCC	(+75,000):	(+75,000)
	: OFFICE OF THE SECRETARY:		
22	: <u>Senate</u> restored House cut	+56,600:	+28,300
	: COMMODITY CREDIT CORPORATION:		
	: Limitation on administrative expenses:		
23	: <u>Senate</u> deleted provision inserted by		
	: House earmarking \$2,000,000 to expand		
	: and strengthen the sales program of the		
	: Corporation. <u>Conferees</u> restored the	Senate	Conferees
	: House language but changed the amount	struck	revised
	: earmarked from \$2,000,000 to \$1,000,000:		
24	: <u>Senate</u> restored provision contained in		
	: the Budget establishing a contingency	Senate	*
	: reserve of \$934,914.	inserted	
	: SPECIAL ACTIVITIES:		
	: Reimbursement to Commodity Credit Corpora-		
	: tion for transfer of wheat to Pakistan:		
25	: <u>Senate</u> increased item to provide the re-		
	: vised Budget Estimate based on in-		
	: creased interest costs	+111,950:	+111,950
	: Reimbursement to Commodity Credit Corpora-		
	: tion for emergency famine relief to		
	: friendly peoples:		
26	: <u>Senate</u> reduced item to provide the re-		
	: vised Budget Estimate, based on a		
	: decrease in actual value of wheat and		
	: flour shipped, less increased interest		
	: costs	-130,798:	-130,798
	: GENERAL PROVISIONS:		
	: Section 504:		
27	: <u>Senate</u> inserted language to prohibit the	Senate	Senate
	: prediction of future prices of apples.	inserted	recedes

* Reported in disagreement.

UNITED STATES DEPARTMENT OF AGRICULTURE

Summary of Appropriations and REA and FHA Loan Authorizations, 1956, Compared With Appropriations and Loan Authorizations, 1955, and Budget Estimates, 1956

(Note.--Amounts for 1955 include all supplemental appropriations to date and are adjusted for comparability with the appropriation structure in the 1956 Agricultural Appropriation Act)

	Appropriations and Loan 1955	Budget Estimates, 1956	Appropriations, 1956	Increase (+), or Decrease (-), Appropriations, 1956, Compared with Appropriations, and Loan 1955	Budget Estimates, 1956
ANNUAL APPROPRIATIONS FOR REGULAR ACTIVITIES:					
Agricultural Research Service:					
Research, disease and pest control, and meat inspection.	\$70,386,579:	\$71,863,000:	\$72,683,700:	+\$2,297,121:	+\$820,700
Payments to State Experiment Stations	19,453,708:	24,753,708:	24,753,708:	+5,300,000:	-
Extension Service (principally payments to States)	43,537,500:	49,337,500:	49,045,000:	+5,507,500:	-292,500
Soil Conservation Service	74,453,871:	75,396,200:	81,300,000:	+6,846,129:	+5,903,800
Agricultural Conservation Program Service:					
Appropriation	191,700,000:	250,000,000:a/	214,500,000:	+22,800,000:	-35,500,000
Less estimated reduction due to availability of balances under the 1953 program	- -:	-34,000,000:	- -:	- -:	+34,000,000
Net appropriation	191,700,000:	216,000,000:	214,500,000:	+22,800,000:	-1,500,000
Agricultural Marketing Service:					
Marketing research and service:	23,140,155:	23,396,000:	24,006,000:	+865,845:	+610,000
School lunch program	83,236,197:	58,000,000:	83,236,197:	- -:	+15,236,197
Foreign Agricultural Service ..	2,515,000:	3,365,000:	3,365,000:	+850,000:	-
Commodity Stabilization Service:					
Agricultural adjustment program	41,250,000:	39,000,000:	39,000,000:	-2,250,000:	-
Sugar Act program	59,600,000:	61,500,000:	59,600,000:	- -:	-2,000,000
Federal Crop Insurance Corporation	6,000,000:	6,000,000:	5,000,000:	- -:	-

Rural Electrification Adminis-	:	:	:	:	:	:	:
tration (Salaries and ex-	:	:	:	:	:	:	:
penses)	:	:	:	:	:	:	:
Farmers' Home Administration	:	:	:	:	:	:	:
(Salaries and expenses)	:	:	:	:	:	:	:
All other	:	:	:	:	:	:	:
Total, Annual Appropriations	:	:	:	:	:	:	:
for Regular Activities	:	:	:	:	:	:	:
Add estimated reduction pro-	:	:	:	:	:	:	:
posed in the Budget under	:	:	:	:	:	:	:
the Agricultural Conserva-	:	:	:	:	:	:	:
tion Program due to	:	:	:	:	:	:	:
availability of balances .	:	:	:	:	:	:	:
Total, Annual Appropriations for:	:	:	:	:	:	:	:
Regular Activities From General:	:	:	:	:	:	:	:
Fund of the Treasury	:	:	:	:	:	:	:
RESTORATION OF CAPITAL IMPAIRMENT:	:	:	:	:	:	:	:
COMMODITY CREDIT CORPORATION ..	:	:	:	:	:	:	:
CORPORATE ADMINISTRATIVE EXPENSE	:	:	:	:	:	:	:
LIMITATION: COMMODITY CREDIT	:	:	:	:	:	:	:
CORPORATION	:	:	:	:	:	:	:
SPECIAL ACTIVITIES:	:	:	:	:	:	:	:
Research on strategic and crit-	:	:	:	:	:	:	:
ical agricultural materials ..	:	:	:	:	:	:	:
Appropriations for repayment to	:	:	:	:	:	:	:
Commodity Credit Corporation	:	:	:	:	:	:	:
for authorized programs in 1953:	:	:	:	:	:	:	:
and 1954:	:	:	:	:	:	:	:
Eradication of foot-and-mouth	:	:	:	:	:	:	:
and other contagious diseases:	:	:	:	:	:	:	:
of animals and poultry :b/	:	:	:	:	:	:	:
International Wheat Agreement :b/	:	:	:	:	:	:	:
Emergency famine relief to	:	:	:	:	:	:	:
friendly peoples (Public Law	:	:	:	:	:	:	:
216, approved August 7,1953)	:	:	:	:	:	:	:
Emergency feed assistance in	:	:	:	:	:	:	:
disaster areas	:	:	:	:	:	:	:

DEPARTMENT OF AGRICULTURE AND FARM CREDIT
ADMINISTRATION APPROPRIATION BILL, 1956

MAY 16, 1955.—Ordered to be printed

Mr. WHITTEN, from the committee of conference, submitted the
following

CONFERENCE REPORT

[To accompany H. R. 5239]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5239) making appropriations for the Department of Agriculture and Farm Credit Administration, for the fiscal year ending June 30, 1956, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 9, 10, and 27.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 17, 19, 21, 25, and 26, and agree to the same.

Amendment numbered 1:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$37,800,000; and the Senate agree to the same.

Amendment numbered 3:

That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$18,658,700; and the Senate agree to the same.

Amendment numbered 4:

That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$1,000,000; and the Senate agree to the same.

Amendment numbered 5:

That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$1,650,000; and the Senate agree to the same.

Amendment numbered 6:

That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$59,300,000; and the Senate agree to the same.

Amendment numbered 7:

That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$22,800,000; and the Senate agree to the same.

Amendment numbered 8:

That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$4,320,000; and the Senate agree to the same.

Amendment numbered 11:

That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$11,046,000; and the Senate agree to the same.

Amendment numbered 12:

That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows:

Restore the matter stricken by said amendment, amended to read as follows: : *Provided, That not less than \$250,000 of the funds contained in this appropriation shall be available to gather statistics and conduct a special study on the price spread between the farmer and the consumer;* and the Senate agree to the same.

Amendment numbered 13:

That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$11,960,000; and the Senate agree to the same.

Amendment numbered 14:

That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows:

Restore the matter stricken by said amendment, amended to read as follows: : *Provided, That not less than \$250,000 of the funds contained in this appropriation shall be available to obtain statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis;* and the Senate agree to the same.

Amendment numbered 15:

That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$6,000,000; and the Senate agree to the same.

Amendment numbered 16:

That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$1,575,000; and the Senate agree to the same.

Amendment numbered 18:

That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$450,000; and the Senate agree to the same.

Amendment numbered 20:

That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$2,100,000; and the Senate agree to the same.

Amendment numbered 22:

That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$2,144,300; and the Senate agree to the same.

Amendment numbered 23:

That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows:

Restore the matter stricken by said amendment, amended to read as follows: : *Provided further, That \$1,000,000 of this authorization shall be available only to expand and strengthen the sales program of the Corporation pursuant to authority contained in the Corporation's charter;* and the Senate agree to the same.

The committee of conference report in disagreement amendment numbered 24.

JAMIE L. WHITTEN,
FRED MARSHALL,
CHARLES B. DEANE,
WILLIAM H. NATCHER,
CLARENCE CANNON,
H. CARL ANDERSEN,
WALT HORAN,
CHARLES W. VURSELL,
JOHN TABER,

Managers on the Part of the House.

RICHARD B. RUSSELL,
CARL HAYDEN,
LISTER HILL,
A. WILLIS ROBERTSON,
ALLEN J. ELLENDER,
MILTON R. YOUNG,
JOSEPH R. MCCARTHY,
By M. R. Y.

KARL E. MUNDT,

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 5239) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1956, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

AGRICULTURAL RESEARCH SERVICE

Amendments Nos. 1 and 2—*Research*: Appropriate \$37,800,000, instead of \$37,000,000 as proposed by the House and \$38,040,000 as proposed by the Senate, and eliminate House language earmarking funds for a special study of effects of acreage reductions. In view of the urgent need for research on basic problems, the conference committee insists that research projects of limited value, such as orchids of Guatemala, flora of Dominica, differences in clothing of farm and urban people, population dynamics, rural sociology, methodology, and child-rearing practices, and projects undertaken primarily for the benefit of employees doing graduate work, be discontinued in favor of more important work. The conferees are in full agreement that discontinuance of nonessential and nonproductive research projects, such as those listed above, will make it possible for the Department to cover all valuable and worthwhile research projects proposed in the budget. The final amount agreed to includes sufficient funds to provide for research projects inserted by the Senate and emphasized in the Senate report, including \$100,000 for research on acreage reductions and \$50,000 additional for the National Arboretum. The conferees are also in full agreement that the recent action of the Department decreasing attention to home economics research should be reviewed and a portion of the funds transferred to human nutrition should be redirected to its original purpose, as contemplated by the amendment adopted in the Senate.

Amendments Nos. 3 and 4—*Plant and animal disease and pest control*: Appropriate \$18,658,700, instead of \$17,750,000 as proposed by the House and \$18,758,700 as proposed by the Senate, and increase the fund for emergency outbreaks of insect and plant diseases to \$1,000,000. The conferees have agreed to an increase of \$308,700 for added plant quarantine inspection at major United States ports in view of (1) the increasing threat of importation of nematodes, citrus blackfly, fruit flies, Khapra beetle, and other plant pests from various areas of the world, and (2) the decreased quarantine inspection resulting from the gradual reduction in number of customs inspectors in recent years.

EXTENSION SERVICE

Amendment No. 5—*Penalty mail*: Appropriates \$1,650,000, instead of \$1,500,000 as proposed by the House and \$1,800,000 as proposed by the Senate.

SOIL CONSERVATION SERVICE

Amendment No. 6—*Conservation operations*: Appropriates \$59,300,000, instead of \$58,612,579 as proposed by the House and \$60,000,000 as proposed by the Senate.

AGRICULTURAL CONSERVATION PROGRAM SERVICE

Amendments Nos. 7 and 8: Authorize \$22,800,000 for administrative expenses, instead of \$22,500,000 as proposed by the House and \$23,000,000 as proposed by the Senate, and provide \$4,320,000 for section 392 expenses, instead of \$4,020,000 as proposed by the House and \$4,520,000 as proposed by the Senate.

Amendments Nos. 9 and 10: Eliminate language proposed by the Senate relative to the 5 percent transfer of funds for technical services required in formulating and carrying out the agricultural conservation program, and restore language as proposed by the House.

AGRICULTURAL MARKETING SERVICE

Amendments Nos. 11 and 12—*Marketing research and agricultural estimates*: Appropriate \$11,046,000, instead of \$10,981,000 as proposed by the House and \$11,096,000 as proposed by the Senate, and restore House language providing for a special study on the price spread between the farmer and the consumer, changing the amount named therein to \$250,000. The conference committee is in full agreement that the July crop reports for popcorn and honey should be reinstated within the amount appropriated.

Amendment No. 13—*Marketing services*: Appropriates \$11,960,000, instead of \$11,810,000 as proposed by the House and \$12,010,000 as proposed by the Senate.

FOREIGN AGRICULTURAL SERVICE

Amendment No. 14: Restores House language providing for a special study of foreign agricultural production, changing the amount named therein to \$250,000. In view of foreign expansion at the expense of American producers, the conferees agree that the bringing of statistics on foreign agriculture up to date is highly important to the success of the new program being inaugurated by this service and is basic to the formulation of agricultural policies.

COMMODITY STABILIZATION SERVICE

Amendment No. 15—*Agricultural adjustment programs*: Authorizes \$6,000,000 for administrative expenses, instead of \$5,500,000 as proposed by the House and \$6,165,000 as proposed by the Senate.

Amendment No. 16—*Sugar Act program*: Authorizes \$1,575,000 for administrative and related expenses, instead of \$1,440,000 as proposed by the House and \$1,617,000 as proposed by the Senate.

FARMERS HOME ADMINISTRATION

Amendment No. 17: Changes code citations as proposed by the Senate.

Amendment No. 18—*Salaries and expenses*: Authorizes transfer of not to exceed \$450,000 from the farm tenant mortgage insurance fund, instead of \$400,000 as proposed by the House and \$500,000 as proposed by the Senate.

Amendment No. 19: Changes code citations as proposed by the Senate.

OFFICE OF THE GENERAL COUNSEL

Amendments Nos. 20 and 21: Appropriate \$2,100,000, instead of \$2,079,000 as proposed by the House and \$2,164,000 as proposed by the Senate, and authorize transfers of \$375,000, instead of \$300,000 as proposed by the House.

OFFICE OF THE SECRETARY

Amendment No. 22: Appropriates \$2,144,300, instead of \$2,116,000 as proposed by the House and \$2,172,600 as proposed by the Senate.

COMMODITY CREDIT CORPORATION

Amendment No. 23—*Limitation on administrative expenses*: Restores language proposed by the House, changing the amount named therein to \$1,000,000.

Amendment No. 24: Reported in disagreement.

SPECIAL ACTIVITIES

Amendment No. 25—*Reimbursement to Commodity Credit Corporation for transfer of wheat to Pakistan*: Appropriates \$69,385,831 as proposed by the Senate instead of \$69,273,881 as proposed by the House.

Amendment No. 26—*Reimbursement to Commodity Credit Corporation for emergency famine relief to friendly peoples*: Appropriates \$9,545,830 as proposed by the Senate instead of \$9,676,628 as proposed by the House.

GENERAL PROVISIONS

Amendment No. 27—*Section 504*: Eliminates the words "or apples" inserted by the Senate. The conference action is based on the fact that this matter is being handled by the appropriate legislative committees. The conferees do not approve of any forecast of apple prices by the Department during the coming fiscal year unless contrary legislative action is taken by the Congress. This restriction is not intended to affect other types of forecasts for apples.

JAMIE L. WHITTEN,
FRED MARSHALL,
CHARLES B. DEANE,
WILLIAM H. NATCHER,
CLARENCE CANNON,
H. CARL ANDERSEN,
WALT HORAN,
CHARLES W. VURSELL,
JOHN TABER,

Managers on the Part of the House.



Congressional Record

United States
of America

PROCEEDINGS AND DEBATES OF THE 84th CONGRESS, FIRST SESSION

Vol. 101

WASHINGTON, MONDAY, MAY 16, 1955

No. 80

Senate

The Senate was not in session today. Its next meeting will be held on Tuesday, May 17, 1955, at 12 o'clock meridian.

House of Representatives

MONDAY, MAY 16, 1955

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou who art the inspiration of all sincere and earnest prayers and their only answer, help us to believe and know that the secret of a happy and victorious life is to be found in a mind and heart inhabited and controlled by Thy Spirit.

May we begin this new week with the glad assurance that what we need more than anything else in the strain and stress of life, both for our peace and power, is Thy divine presence and guidance.

Inspire us with the certainty that there are no crises we cannot face, no temptations we cannot master, no problems we cannot solve, no wrongs we cannot set right, and no victories for righteousness and justice we cannot win when Thou art our companion and counselor.

Grant that we may never become disheartened and discouraged as we continue to set ourselves to the difficult task of building a nobler civilization and seek to help all mankind achieve the highest and happiest kind of life.

Hear us in the name of our blessed Lord. Amen.

THE JOURNAL

The Journal of the proceedings of Thursday, May 12, 1955, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 872. An act for the relief of Mrs. Concetta Saccatti Salliani;

H. R. 876. An act for the relief of Alberto Dal Bello and Mrs. Dina Bristot Dal Bello;

H. R. 881. An act for the relief of Gabriella Sardo;

H. R. 886. An act for the relief of Mrs. Mounira E. Medlej;

H. R. 888. An act for the relief of Mrs. Elsa Danes;

H. R. 890. An act for the relief of Eliseo Felix Hernandez;

H. R. 911. An act for the relief of Gloria Minoza Medellin;

H. R. 913. An act for the relief of Hildegard Noble;

H. R. 921. An act for the relief of Chia-Tseng Chen;

H. R. 923. An act for the relief of Dr. Danuta Oktawiec;

H. R. 924. An act for the relief of Joseph Marrali;

H. R. 958. An act for the relief of Howard Carl Kaiser;

H. R. 971. An act for the relief of Mrs. Erato Aranopoulou;

H. R. 976. An act for the relief of Mrs. Francisca Mihalka;

H. R. 984. An act for the relief of Dr. Lycourgos E. Papadakis;

H. R. 1008. An act for the relief of Alexander Turchaninova;

H. R. 1009. An act for the relief of William Ligh;

H. R. 1020. An act for the relief of Boris Ivanovitch Oblesow;

H. R. 1048. An act for the relief of Christine Susan Caiado;

H. R. 1130. An act for the relief of Mrs. Anita Scavone;

H. R. 1166. An act for the relief of Florence Meister;

H. R. 1177. An act for the relief of Zbigniew Wolynski;

H. R. 1192. An act for the relief of Angelita Haberer;

H. R. 1196. An act for the relief of Li Chiu Fu and wife, Leung Sue Wa;

H. R. 1203. An act for the relief of Ivan Bruno Lomm, also known as Ivan B. Johnson;

H. R. 1220. An act for the relief of Kleoniki Argendeli;

H. R. 1346. An act for the relief of Mrs. Anatoly Batenko and Vladimir Batenko;

H. R. 1351. An act for the relief of Mrs. Lottie Longo (formerly Lottie Guetler);

H. R. 1490. An act for the relief of Styllanos Haralambidis;

H. R. 1501. An act for the relief of Andrea Hernandez Montes Rocha;

H. R. 1502. An act for the relief of Elisabeth Thalhammer and her child, Harold William Bushman III;

H. R. 1511. An act for the relief of Robert George Bulldeath and Lenora Patricia Bulldeath;

H. R. 1638. An act for the relief of Janis Arvids Reinfelds;

H. R. 1645. An act for the relief of Regina Berg Vomberg and her children, Wilma and Helga Vomberg;

H. R. 1665. An act for the relief of David Manuel Porter;

H. R. 1679. An act for the relief of Marek S. Korowicz;

H. R. 1885. An act for the relief of Orlando Lucarini;

H. R. 1906. An act for the relief of Fay Jeanette Lee;

H. R. 1957. An act for the relief of Namiko Nitoh and her child, George F. X. Nitoh;

H. R. 2087. An act for the relief of Erika Rambauske;

H. R. 2261. An act for the relief of Giuseppe Carollo;

H. R. 2276. An act for the relief of Vida Kosnik;

H. R. 2279. An act for the relief of Sister Mary Berarda;

H. R. 2289. An act for the relief of Mrs. Marjorie Fligor (nee Sproul);

H. R. 2346. An act for the relief of John P. Farrar;

H. R. 2348. An act for the relief of Theodora Sammartino;

H. R. 2354. An act for the relief of Basil Theodossiou;

H. R. 2361. An act for the relief of Elizabeth Ann Giampietro;

H. R. 2731. An act for the relief of Sing Fong York;

H. R. 2762. An act for the relief of Bent Petersen;

H. R. 2764. An act for the relief of Victor and Irene-Wanda Goldstein;

H. R. 2941. An act for the relief of Mrs. Elfriede Majka Grifasi;

H. R. 2954. An act for the relief of Mrs. Irene Emma Anderson; and

H. R. 4043. An act for the relief of Rene Racheli Luyse Kubicek.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills and a joint resolution of the House of the following titles:

H. R. 957. An act for the relief of Dr. Cristjo Cristofv, his wife Jordana Dlova Cristofv, and his children, George and Daphne-Kremena, Cristofv;

H. R. 1012. An act for the relief of Federico Ungar Fihaly;

H. R. 1142. An act for the relief of Capt. Moses M. Rudy;

H. R. 1328. An act for the relief of Nicholas John Mantikas, Anne Francis Mantikas, Yvonne Mantikas, Mary Mantikas, and John Mantikas; and

H. J. Res. 211. Joint resolution to confer jurisdiction on the Attorney General to determine the eligibility of certain aliens to benefit under section 6 of the Refugee Relief Act of 1953, as amended.

The message also announced that the Senate had passed bills, a joint resolution, and concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. 88. An act for the relief of Maximilian Kari Manjura;

S. 430. An act for the relief of Hedwig Marie Zaunmuller;

S. 502. An act for the relief of Elsa Lederer;

S. 715. An act for the relief of Toy Lin Chen;

S. 892. An act for the relief of Jose Perez Gomez;

S. 1035. An act for the relief of Ambrose Anthony Fox;

S. 1483. An act for the relief of Irfan Kavar;

S. 1513. An act for the relief of Kosmas Vassilios Fournarakis;

S. 1517. An act for the relief of Rosita A. Jocson;

S. 1521. An act for the relief of Garabed Papazian;

S. 1581. An act for the relief of Constantinos Pantermails;

S. 1645. An act to provide for extension of mortgage purchase contracts of the Federal National Mortgage Association;

S. 1654. An act for the relief of Eliseu Joaquim Boa;

S. 1705. An act for the relief of George Paul Khouri;

S. J. Res. 51. Joint resolution extending an invitation to the International Olympic Committee to hold the 1960 winter Olympic games at Squaw Valley, Calif.;

S. Con. Res. 31. Concurrent resolution authorizing the printing of additional copies of certain hearings and reports on juvenile delinquency for the use of the Committee on the Judiciary; and

S. Con. Res. 33. Concurrent resolution withdrawing suspension of deportation of Bernardino Canares Scaio.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATION BILL, 1956

Mr. WHITTEN submitted the following conference report and statement on the bill (H. R. 5239) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1956, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 590)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R.

5239) "making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1956, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 9, 10 and 27.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 17, 19, 21, 25 and 26, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$37,800,000"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$18,658,700"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert \$1,000,000; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$1,650,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$59,300,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$22,800,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$4,320,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$11,046,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows: "Provided, That not less than \$250,000 of the funds contained in this appropriation shall be available to gather statistics and conduct a special study on the price spread between the farmer and the consumer"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$11,960,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree

to the same with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows: "Provided, That not less than \$250,000 of the funds contained in this appropriation shall be available to obtain statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$6,000,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$1,575,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$450,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$2,100,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$2,144,300"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows: "Provided further, That \$1,000,000 of this authorization shall be available only to expand and strengthen the sales program of the Corporation pursuant to authority contained in the Corporation's charter"; and the Senate agree to the same.

The committee of conference report in disagreement amendment No. 24.

JAMIE L. WHITTEN,
FRED MARSHALL,
CHARLES B. DEANE,
WILLIAM H. NATCHER,
CLARENCE CANNON,
H. CARL ANDERSEN,
WALT HORAN,
CHARLES W. VURSELL,
JOHN TABER,

Managers, on the Part of the House.

RICHARD B. RUSSELL,
CARL HAYDEN,
LISTER HILL,
WILLIS A. ROBERTSON,
ALLEN J. ELLENDER,
JOSEPH R. MCCARTHY
(per MILTON R. YOUNG),
MILTON R. YOUNG,
KARL E. MUNDT,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 5239) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1956, and for other purposes, submit the following statement in explanation of the effect of the

action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

AGRICULTURAL RESEARCH SERVICE

Amendments Nos. 1 and 2—Research: Appropriate \$37,800,000, instead of \$37,000,000 as proposed by the House and \$38,040,000 as proposed by the Senate, and eliminate House language earmarking funds for a special study of effects of acreage reductions. In view of the urgent need for research on basic problems, the conference committee insists that research projects of limited value, such as orchids of Guatemala, Flora of Dominica, differences in clothing of farm and urban people, population dynamics, rural sociology, methodology, and child-rearing practices, and projects undertaken primarily for the benefit of employees doing graduate work, be discontinued in favor of more important work. The conferees are in full agreement that discontinuance of nonessential and nonproductive research projects, such as those listed above, will make it possible for the Department to cover all valuable and worthwhile research projects proposed in the budget. The final amount agreed to includes sufficient funds to provide for research projects inserted by the Senate and emphasized in the Senate report, including \$100,000 for research on acreage reductions and \$50,000 additional for the National Arboretum. The conferees are also in full agreement that the recent action of the Department decreasing attention to home-economics research should be reviewed and a portion of the funds transferred to human nutrition should be redirected to its original purpose, as contemplated by the amendment adopted in the Senate.

Amendments Nos. 3 and 4—Plant and animal disease and pest control: Appropriate \$18,658,700, instead of \$17,750,000 as proposed by the House and \$18,758,700 as proposed by the Senate, and increase the fund for emergency outbreaks of insect and plant diseases to \$1,000,000. The conferees have agreed to an increase of \$308,700 for added plant quarantine inspection at major United States ports in view of (1) the increasing threat of importation of nematodes, citrus blackfly, fruit flies, Khapra beetle, and other plant pests from various areas of the world, and (2) the decreased quarantine inspection resulting from the gradual reduction in number of customs inspectors in recent years.

EXTENSION SERVICE

Amendment No. 5—Penalty Mail: Appropriates \$1,650,000, instead of \$1,500,000 as proposed by the House and \$1,800,000 as proposed by the Senate.

SOIL CONSERVATION SERVICE

Amendment No. 6—Conservation operations: Appropriates \$59,300,000, instead of \$58,612,579 as proposed by the House and \$60,000,000 as proposed by the Senate.

AGRICULTURAL CONSERVATION PROGRAM SERVICE

Amendments Nos. 7 and 8: Authorize \$22,800,000 for administrative expenses, instead of \$22,500,000 as proposed by the House and \$23,000,000 as proposed by the Senate, and provide \$4,320,000 for section 392 expenses, instead of \$4,020,000 as proposed by the House and \$4,520,000 as proposed by the Senate.

Amendments Nos. 9 and 10: Eliminate language proposed by the Senate relative to the 5 percent transfer of funds for technical services required in formulating and carrying out the agricultural conservation program, and restore language as proposed by the House.

AGRICULTURAL MARKETING SERVICE

Amendments Nos. 11 and 12—Marketing research and agricultural estimates: Appropriate \$11,046,000, instead of \$10,981,000 as proposed by the House and \$11,096,000 as proposed by the Senate, and restore House

language providing for a special study on the price spread between the farmer and the consumer, changing the amount named therein to \$250,000. The conference committee is in full agreement that the July crop reports for popcorn and honey should be reinstated within the amount appropriated.

Amendment No. 13—Marketing services: Appropriates \$11,960,000 instead of \$11,810,000 as proposed by the House and \$12,010,000 as proposed by the Senate.

FOREIGN AGRICULTURAL SERVICE

Amendment No. 14: Restores House language providing for a special study of foreign agricultural production, changing the amount named therein to \$250,000. In view of foreign expansion at the expense of American producers, the conferees agree that the bringing of statistics on foreign agriculture up to date is highly important to the success of the new program being inaugurated by this service and is basic to the formulation of agricultural policies.

COMMODITY STABILIZATION SERVICE

Amendment No. 15—Agricultural adjustment programs: Authorizes \$6,000,000 for administrative expenses, instead of \$5,500,000 as proposed by the House and \$6,165,000 as proposed by the Senate.

Amendment No. 16—Sugar Act program: Authorizes \$1,575,000 for administrative and related expenses, instead of \$1,440,000 as proposed by the House and \$1,617,000 as proposed by the Senate.

FARMERS HOME ADMINISTRATION

Amendment No. 17: Changes code citations as proposed by the Senate.

Amendment No. 18—Salaries and expenses: Authorizes transfer of not to exceed \$450,000 from the Farm Tenant Mortgage Insurance Fund, instead of \$400,000 as proposed by the House and \$500,000 as proposed by the Senate.

Amendment No. 19: Changes code citations as proposed by the Senate.

OFFICE OF THE GENERAL COUNSEL

Amendments Nos. 20 and 21: Appropriates \$2,100,000, instead of \$2,079,000 as proposed by the House and \$2,164,000 as proposed by the Senate, and authorize transfers of \$375,000, instead of \$300,000 as proposed by the House.

OFFICE OF THE SECRETARY

Amendment No. 22: Appropriates \$2,144,300, instead of \$2,116,000 as proposed by the House and \$2,172,600 as proposed by the Senate.

COMMODITY CREDIT CORPORATION

Amendment No. 23—Limitation on administrative expenses: Restore language proposed by the House, changing the amount named therein to \$1,000,000.

Amendment No. 24: Reported in disagreement.

SPECIAL ACTIVITIES

Amendment No. 25—Reimbursement to Commodity Credit Corporation for transfer of wheat to Pakistan: Appropriates \$69,385,831 as proposed by the Senate, instead of \$69,273,881 as proposed by the House.

Amendment No. 26—Reimbursement to Commodity Credit Corporation for emergency famine relief to friendly peoples: Appropriates \$9,545,830 as proposed by the Senate, instead of \$9,676,628 as proposed by the House.

GENERAL PROVISIONS

Amendment No. 27—Section 504: Eliminates the words "or apples" inserted by the Senate. The conference action is based on the fact that this matter is being handled by the appropriate legislative committees. The conferees do not approve of any forecast of apple prices by the Department during the coming fiscal year unless contrary legislative action is taken by the Congress. This re-

striction is not intended to affect other types of forecasts for apples.

JAMIE L. WHITTEN,
FRED MARSHALL,
CHARLES B. DEANE,
CLARENCE CANNON,
H. CARL ANDERSEN,
WALT HORAN,
CHARLES W. VURSELL,
JOHN TABER,

Managers on the Part of the House.

CORRECTION OF VOTE

Mr. SHEPPARD. Mr. Speaker, on rollcall No. 63 I am recorded as not voting. I was present and voted "yea." I ask unanimous consent that the RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have until midnight tonight to file a report on the investigation of the air-navigation system generally known as visual omnirange distance measuring equipment tactical air navigation.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

DAVY CROCKETT

(Mr. JONAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JONAS. Mr. Speaker, interest in the Davy Crockett story is not confined to the boys and girls of this country. Last Thursday the gentleman from Texas [Mr. DIES], speaking in the well of the House, referred to that story and drew certain lessons from the record and career of this great American when he served as a Member of the Congress more than 100 years ago. Davy Crockett is generally understood to have been a native of the State of Tennessee. A mere statement of that fact, however, does not tell the entire story. When Davy Crockett was born on August 17, 1786, the State of Tennessee was not in existence. It was then a part of the territory which comprised the State of North Carolina. So it can fairly be said, Mr. Speaker, that Davy Crockett was a Tar Heel born, although we will have to concede that he was not a Tar Heel bred, and when he died he was not a Tar Heel dead. But we take great pride in the fact that he was born a resident of our State.

Mr. PRIEST. Mr. Speaker, will the gentleman yield?

Mr. JONAS. I yield.

Mr. PRIEST. I appreciate that what the gentleman has said is historically correct; but in view of the popularity of the present song, the record of history probably will show that he was born on a mountaintop in Tennessee.

Mr. JONAS. I think that is true; but we in North Carolina have a right to claim part of the credit for this great American.

SPECIAL ORDER GRANTED

Mr. VAN ZANDT asked and was given permission to address the House for 10 minutes today, following the legislative program and any special orders heretofore entered.

RESEARCH IN THE DEVELOPMENT AND UTILIZATION OF SALINE WATERS

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 231 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2126) to amend the act of July 3, 1952, relating to research in the development and utilization of saline waters. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN]; and at this time I yield myself such time as I may require.

Mr. Speaker, House Resolution 231 will make in order the consideration of the bill H. R. 2126, to amend the act of July 3, 1952, relating to research in the development and utilization of saline waters; provides for an open rule with 1 hour of general debate.

H. R. 2126 would amend the Saline Water Act of 1952, to provide for uninterrupted continuation of the saline water conversion research program. The act of 1952 had authorized the appropriation of \$2 million to carry on a 5-year research program in order to develop economically feasible methods of converting sea and other saline waters to fresh water of a quality suitable for agricultural, municipal, and other uses. If H. R. 2126 is passed, the period of the research program would be extended, the amount authorized to be appropriated for conducting this research would be increased, and finally the bill would permit research to be carried on within specific areas in existing Government laboratories.

The report on H. R. 2126 indicates that the extension of this legislation is necessary at this time because under the provisions of the Saline Water Act of 1952 all work must be completed prior to July 15, 1957. Thus the report goes on

to state that the most active research would have to be terminated by about December 1955 in order that the work might be completed under the present contracts and that the reports might be submitted by the deadline of July 1957.

Specifically H. R. 2126 would provide for the uninterrupted continuation of the saline water research program and would permit the officials in charge of the program to have the use and the help of a certain amount of technical assistance from existing Federal scientific facilities. The bill would amend present law to permit use of the facilities of existing Federal scientific laboratories. The present act would be amended to raise the limit of funds authorized to be appropriated from \$2 million to \$6 million. Out of this amount, not more than \$1,500,000 could be used for the direction of the program and for the correlation and coordination of the studies and information and not more than \$500,000 could be spent for research and development in Federal laboratories. The program itself would be extended through fiscal year 1963 and would provide for 1 additional year for correlating and coordinating the results, studies, and research undertaken under the program.

Mr. Speaker, this bill was unanimously recommended by the Committee on Interior and Insular Affairs, and the Department of the Interior also favors its enactment.

Mr. ALLEN of Illinois. Mr. Speaker, I know of no one who is opposed to this rule.

Mr. BOLLING. Mr. Speaker, I yield 15 minutes to the gentleman from Texas [Mr. PATMAN], and ask unanimous consent that he be permitted to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

(Mr. PATMAN asked and was given permission to revise and extend his remarks and include extraneous matter.)

EXTEND HOOVER COMMISSION

Mr. PATMAN. Mr. Speaker, this afternoon unanimous consent will be asked for the consideration of a resolution to extend the Hoover Commission for 30 days until June 30. Under present law it expires this May 31. This resolution would give it 30 more days, or until June 30, to make its reports, and then 90 additional days to liquidate. It is my understanding that all reports will be filed within the 30 additional days.

This morning you as Members of the House received a document on business enterprise.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. BROWN of Ohio. I think it might clarify the thinking of the Members to point out that the 30-day extension would apply to the life of the Commission itself for the purpose of making its reports. The Commission would not be in existence during the 90-day period. That would simply permit the Chairman of the Commission to return to the proper agencies of the Government and to the Treasury and moneys left over,

and all this and that. It is simply to wind up the activities of the Commission. The Commission itself would come to an end on June 30.

Mr. PATMAN. That means that all reports will have been made, of all types and characters?

Mr. BROWN of Ohio. All reports, yes. One of the purposes of the resolution is to give time to get these reports printed.

Mr. PATMAN. I thank the gentleman.

Mr. Speaker, this time was given to me in order that I may speak on this matter now and not get the time by reserving the right to object to the consideration of the resolution when it comes up. I have no objection to the resolution to extend the Commission 30 days, although I am not in favor of the Hoover Commission, but I would certainly be against the creation of another Hoover Commission. I feel that this is the last commission of that type we will have in the Congress. I hope so, because I think we made a serious mistake in starting out on this approach.

In the 80th Congress, when the question was first submitted to us, of having a bipartisan commission composed of a former President of the United States, who certainly knew something about the executive branch, to head the Commission as chairman, and an outstanding Democrat to be vice chairman, and the Commission to be composed of 6 Republicans and 6 Democrats in order to make a study and an investigation to prevent duplication of effort in the Government, and to prevent waste and extravagance, it certainly did appeal to all Members of the House. I know it appealed to me. It passed unanimously. It was a fine approach. It was looked upon favorably. And it was all right—they did some fine work. But then in the 83d Congress, which was 2 years ago, a resolution was passed to provide for another Hoover Commission. We naturally looked upon it as a continuation of the first Commission. But it is not a continuation of the first one. Instead of just investigating waste and extravagance, it is also going into the policymaking business as the Commission feels it has the authority to go into policymaking.

A PART OF LEGISLATIVE BRANCH?

The other day I was attending a meeting of a subcommittee of the Committee on Government Operations of the House of Representatives and I heard a chairman, Mr. J. P. Binns, of one of the Hoover Commission task forces make the statement for the record in writing that the Attorney General of the United States has ruled that the Hoover Commission is part of the legislative branch of the Government. Let me repeat that—that the Attorney General of the United States has ruled that the Hoover Commission is a part of the legislative branch of the Government. That was disturbing to me and it should be disturbing to every Member of the House of Representatives.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued
For actions of

May 18, 1955
May 17, 1955
84th-1st, No.81

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HIGHLIGHTS: Both Houses agreed to conference report on agricultural appropriation bill. Ready for President. Senate passed bill to repeal ACP tie-in with acreage allotments. Ready for President. Senate debated bill to repeal REA State formula. Senate committee reported bill to increase per diem allowances. Senate committee ordered reported bills for Mexican fence and for salt-water research. Sen. Humphrey introduced and discussed bill to provide 90% price supports for family-size farms. House passed bill to authorize land banks to purchase FFMC assets. Ready for President. House committee reported measure for USDA study of tobacco controls. House debated reserve manpower bill. House subcommittee voted for bill to increase per diem allowances.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL, 1956. Both Houses agreed to the conference report on this bill, H. R. 5239. The House concurred in the Senate amendment which had been reported in disagreement, to provide for part of the CCC administrative-expense limitation to be placed in reserve. (pp. 5489, 5458-74). This bill will now be sent to the President. (5456-8)
2. FARM LOANS. Passed without amendment S. 941, to authorize the Federal land banks to purchase certain remaining assets of the Federal Farm Mortgage Corporation (pp. 5501, 5519). This bill will now be sent to the President.
3. RESERVE FORCES. Began debate on H. R. 5297, to provide for strengthening of the Reserve Forces (pp. 5519-45).
4. TOBACCO. The Agriculture Committee reported without amendment S. J. Res. 60, directing this Department to study and report to Congress on methods of burley tobacco marketing controls (H. Rept. 596)(p. 5549).
5. ANIMAL DISEASE. Passed without amendment S. 1133, authorizing payment for losses incurred in Iowa in July 1954 on account of vesicular exanthema, which could not

be paid because of a technicality (p. 5505). A companion bill, H. R. 4576, was reported without amendment earlier in the day (H. Rept. 598). S. 1133 will now be sent to the President.

6. FARM LOANS. The Rules Committee reported a resolution for consideration of H. R. 5715, to extend the authority for the Veterans' Administration to make direct loans and to require VA to make additional types of loans (p. 5505).
7. TRAVEL EXPENSE. The "Daily Digest" states: "The Subcommittee on Executive and Legislative Reorganization approved for reporting to the full committee a clean bill (H. R. 6295), to provide for an increase in maximum per diem allowance — from \$9 to \$13 — for subsistence and travel expenses. The bill will be considered by the full committee...tomorrow." (p. D428.)
8. LAND TRANSFER. The Agriculture Committee reported with amendment H. R. 2973, to release reversionary rights to a former FHA tract in Macon County, Ga., to the Ga. Board of Education (H. Rept. 597)(p. 5549).
9. EDUCATION. Passed as reported H. R. 603, to authorize additional land grants to the University of Alaska (p. 5497).
10. ORGANIZATION. Received from the President an amendment to the 1956 Budget for the President's Advisory Committee on Government Organization (H. Doc. 164); to Appropriations Committee (p. 5548).

SENATE

11. SOIL CONSERVATION; ACREAGE ALLOTMENTS. Passed without amendment H. R. 1573, to repeal the provisions prohibiting ACP payments to persons who do not adhere to acreage allotments on basic crops (pp. 5458-74). Rejected, 35 to 49, an amendment in the nature of a substitute, by Sen. Holland (for himself and Sens. Aiken, Anderson, and Watkins), which would have modified Sec. 348 but would not have repealed it (p. 5474). This bill will now be sent to the President.
Sen. Carlson inserted a city of Kansas City, Kans., resolution favoring the continuance of surveys and planning for the conservation of soil and water in Kans. (pp. 5420-1).
Sen. Watkins commended the interest of young people in conservation development and inserted an article written by the Secretary at the request of the young people of Milford Elementary School, "Youth's Part in Conservation" (pp. 5446-7).
12. RURAL ELECTRIFICATION. Began debate on S. 153, to amend the Rural Electrification Act so as to eliminate the requirement that not more than 10% of the loans may be made in any one State. Pending is a Humphrey amendment (in the nature of a substitute) to modify the present formula but not repeal it (pp. 5479-84).
Sen. Kefauver urged immediate release of the Hoover Commission Task Force report on public power and water resources and inserted a St. Louis Post Dispatch on this subject (pp. 5445-6).
13. LANDS. Both Houses received from the Interior Department a proposed bill "to facilitate the administration of the public lands"; to Interior and Insular Affairs Committees (pp. 5417, 5548).
14. SUGAR QUOTAS. Received an Hawaiian Legislature resolution urging immediate domestic sugar quota increases (p. 5418).

to the expected natural occurrence of poliomyelitis in the United States among these children at this time of the year.

"So, simply in statistical terms, there is every reason to believe the product of the other manufacturers is safe.

"The five manufacturers whose vaccine has been used to date are: Cutter Laboratories, Eli Lilly & Co., Parke Davis & Co., Pitman-Moore Co., and Wyeth Laboratories, Inc.

"On April 27, after six cases of paralytic polio developed among children inoculated with vaccine produced by the Cutter Laboratories, I directed the withdrawal of all lots of vaccine which had been distributed by that company pending a careful examination of their manufacturing processes.

"The steps taken were as follows:

"The Public Health Service immediately initiated a thorough check at the Cutter plant itself. We started extensive laboratory tests of samples of the vaccine itself. We organized a nationwide network of scientists, epidemiologists, and laboratories to collect and interpret significant data on every case of paralytic polio among these children and others of both the vaccinated and the unvaccinated population. This provides us with continued and quick intelligence on all cases of poliomyelitis reported to the Service.

"In addition, a group of the country's outstanding experts in poliomyelitis virology and epidemiology was immediately called to Washington to advise the Public Health Service on the interpretation of all data flowing in from the sources indicated above.

"This advisory group has included Dr. John Enders of Harvard, recent Nobel prize winner; Dr. John Paul of Yale, noted virologist and epidemiologist; Dr. Albert Sabin of Cincinnati, expert in virus diseases; Dr. Thomas Francis, whose recent report confirmed the efficacy of the Salk vaccine; Dr. Joseph Smadel, Army research specialist in virology and epidemiology; Dr. David Bodian, outstanding neuropathologist from Johns Hopkins; Dr. Jonas Salk, famed for the development of the vaccine now in use; Dr. Edward Lennette, Director of Laboratories of the California Department of Public Health, who brought first-hand reports from the California Department of Public Health; and Dr. Howard Shaughnessy, Chief of Laboratories of the Illinois State Department of Health.

"These men have been consulting with the Public Health Service almost continuously since April 28. They have studied the complex data from all sources, giving particular emphasis to the manufacturing and testing processes.

"The last of these meetings of the Technical Advisory Committee on Poliomyelitis Vaccine composed of Drs. Bodian, Enders, Francis, Salk, Shaughnessy and Smadel took place on May 5 and May 6.

"It was in order to make sure that their recommendations could be given the most careful consideration by scientific personnel of the Public Health Service, that early on May 7 I recommended that inoculation programs be suspended.

"That study has now been completed and the position of the Public Health Service is as follows:

"1. A detailed reappraisal of each lot of vaccine already prepared or in the final stages of production is being undertaken immediately by the Laboratory of Biologics Control, with suitable consultants.

"2. For the present, all vaccinations should continue to be postponed.

"3. As the reappraisal proceeds, vaccine will be cleared for use on a lot-by-lot basis.

"The reviews will proceed on a manufacturer-by-manufacturer basis, taking them in the order of their entrance into production—i. e., Parke-Davis, Eli Lilly, Wyeth, Pitman-Moore, and Sharp and Dohme. It is hoped that this process will result in a return of vaccine to availability beginning in the latter part of the current week. This program of action has been discussed with industry, and

the Public Health Service has its assurances of full cooperation and support.

"The undertaking of such a review—and the slight delay in mass immunization—does not arise from lack of confidence on the part of the Public Health Service in the fundamental safety of the Salk vaccine that has been used to date, or will be available in the future.

"On the other hand, a great deal of new information has been developed during the past 10 days as the result of continuing consultation between the Public Health Service and its consultants, and between these groups and the senior technicians of industry. It is only prudent to make the total industrial experience available to each separate manufacturer for use as a background in the review of past production and present processes—particularly in the interest of affording additional factors of safety in their distributed product. The manufacturers have indicated their desire to have this additional information and assistance.

"The reason for the association between administration of the Cutter vaccine and the few cases of poliomyelitis that have developed after its administration has not been determined. The association is so definite, however, that until the precise cause is found the vaccine produced by this laboratory will remain suspended.

"During the period of consideration by the Public Health Service consultants and the deliberations of our staff which has been under way, certain important facts have emerged.

"The vaccine is so prepared that the amount of residual infectious virus is below a level that is detectable by laboratory tests made in tissue culture and in monkeys or is expected to be harmful to man. In this respect, this vaccine is similar to other vaccines prepared in a similar way.

"I want to make this point absolutely clear. The vaccine has been called a 'killed' vaccine because of the theoretical total inactivation of virus particles with respect to their ability to cause disease in man—a fact which is borne out by the safety record among the 5 million American children who have received one or more injections of the Salk vaccine.

"We have derived valuable data from the manufacturers themselves. They have brought to us honestly and fully the sum total of their manufacturing experience and their professional skill. They—since the very beginning of the polio vaccine program—have acted with complete integrity and foresight. Our inquiry has revealed that they have, in many instances, gone far beyond the normal requirements of the pharmaceutical industry in checking existing procedures and making improvements as new information became available to them. To no small extent, the speed and efficiency with which we have been able to review an exceedingly complex situation is due to the aid of the senior professional staff of the manufacturers.

"We have been guided, too, by a continuing flow of detailed information on cases which has been supplied by the Poliomyelitis Surveillance Unit of the Public Health Service's Communicable Disease Center in Atlanta, Ga. State and local health officers are cooperating fully with this unit. At the National Institutes of Health in Bethesda, Md., the staff has also been working on assessing the technical and scientific data which have been accumulating.

"I want to enumerate now some of the facts which we have considered in relation to medical and public-health practices of long standing.

"1. Although the first injection of this vaccine confers a degree of immunity, the full value of the immunization process is not achieved until all three shots have been given. Thus, it is quite possible for polio to be contracted after the first or second

injection without indicating that the vaccine is unsafe or ineffective.

"2. The Francis report on April 12 demonstrated that the experimental vaccine administered in last year's field trials was 60-90 percent effective, and that it is less effective against type I (which is the most prevalent type) than it was against type II and III. The difference was due to the effect of a particular preservative. This has now been corrected. The vaccine cannot be expected to prevent all polio. Dr. Salk is continuing work to improve the vaccine's effectiveness.

"3. Few important medical techniques are ever 100-percent safe. When a doctor gives an injection of penicillin, performs a tonsillectomy, or vaccinates against smallpox, there is always a possibility that something may go wrong. A physician's work consists in large measure of making decisions in which he weighs the benefits and the possible drawbacks, however small, in a given course of action. When, in his judgment, the values outweigh the possible hazards, he acts accordingly.

"The division on use of the poliomyelitis vaccine is based on such a series of calculations and judgments.

"Public health physicians are specialists in the practice of public health. They must exercise broad responsibility for the health of the American people. They thus share the responsibilities of physicians in private practice. Public health physicians, by and large, do not make decisions in matters of individual medical practice. Physicians are the best guardians of every individual's health and will at all times base their judgments on the soundest technical information available at the time. Health science is never static. Knowledge increases with passage of time and medical and health practice changes and improves in pace. But there has never been a time when medical and public health have been in important conflict.

"The Public Health Service, is discharging its responsibilities under this concept, is acting on the conclusions which have emerged from our study which, in our judgment will guide and influence progressive improvements in production and testing of poliomyelitis vaccine.

"It is evident that the decision of the Service will cause some delay in making the vaccine available to the American people. I know that they will fully understand and appreciate the reasons for this decision which has been taken in their interest and on behalf of the children of the Nation. There will in time be ample safe vaccine for all who need it and wish it.

"In summary, may I say that the Salk vaccine has had careful and thorough development over a long period of time. It has emerged, as the culmination of the work of dedicated men and of the historic achievement of one of them, Dr. Jonas Salk. His achievement is a milestone of medical progress. It promises significant reduction in the occurrence of paralytic poliomyelitis.

"The Public Health Service has every faith that, within the ever-narrowing limits of human fallibility, that the Salk vaccine is safe and effective."

The first of such reviews was begun on May 11 and concluded on May 13 at the Parke-Davis plant in Detroit, Mich., with a team of Public Health Service scientists, headed by Dr. William Workman, chief of the Laboratory of Biologics Control, and including an outside consultant.

APPENDIX 2

ATTENDANCE AT TECHNICAL AND SCIENTIFIC MEETING ON SALK POLIOMYELITIS VACCINE, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, WASHINGTON, D. C., APRIL 22, 1955

American Academy of General Practice: Dr. John R. Fowler, president; Dr. William

B. Hildebrand; Dr. Malcom Phelps, chairman, board of directors.

American Academy of Pediatrics: Dr. Crawford Post, president; Dr. E. H. Christopherson, executive secretary.

American Drug Manufacturers Association: Dr. J. H. Fitzgerald Dunning, president; Dr. Karl Bambach, executive vice president.

American Hospital Association: Dr. Morris H. Kreeger; Mr. Kenneth Williamson, associate director; Dr. Albert W. Snoke.

American Medical Association: Dr. Elmer Hess; Dr. Frank Wilson; Dr. George F. Lull, secretary.

American Osteopathic Association: Dr. R. C. McCaughan, executive secretary; Dr. Chester D. Swope, chairman, department of public relations.

American Pharmaceutical Association: Mr. Newell W. Stewart, president; Dr. Robert P. Fischelis, secretary.

American Pharmaceutical Manufacturers Association: Mr. Kenneth F. Valentine, president-elect.

American Public Health Association: Dr. Herman E. Hilleboe, president; Dr. Hollis S. Ingraham.

American School Health Association: Dr. Claire A. Christman, director of school health; Miss Mary A. Thompson, superintendent, health education.

American Surgical Trade Association: Mr. Russell Schneider, consultant.

Cutter Laboratories: Mr. E. A. Cutter, Jr., executive vice president; Dr. Walter Ward.

Eli Lilly & Co.: Mr. Eugene N. Beesley, president; Mr. Forrest Teel, executive vice president.

Hospital Industries Associations: Mr. J. J. Egan, president; Mr. William Smith, executive secretary.

Manufacturers Surgical Trade Association: Dr. Arthur L. Faubel, secretary; Mr. F. A. Holt, Jr.

National Association of Chain Drug Stores: Mr. J. Louis Gundling; Mr. John E. Donaldson.

National Association of Retail Druggists: Mr. John W. Dargavel, executive secretary; Mr. George B. Frates.

National Foundation for Infantile Paralysis: Mr. Basil O'Connor, president; Mr. Raymond H. Barrows, executive director; Dr. Hart Van Riper, medical director.

National Medical Association: Dr. W. Montague Cobb, Dr. Joseph G. Gathings.

National Wholesale Druggists Association: Mr. James E. Allen, chairman of the board; Mr. E. Allen Newcomb, executive secretary.

Parke-Davis & Co.: Mr. Homer C. Fritsch, executive vice president; Dr. Fred Stimpert, director, microbiological research.

Pitman-Moore Co.: Mr. K. F. Valentine, president; Dr. S. R. Bozeman.

Sharp & Dohme, Inc.: Mr. William L. Dempsey, president; Mr. John G. Bill, vice president.

Wyeth Laboratories: Mr. Harry S. Howard, president; Mr. H. W. Blades, executive vice president.

Congressional: Senator Lister Hill, Alabama; Senator William A. Purtell, Connecticut; Representative J. Percy Priest, Tennessee; Representative Charles A. Wolvertson, New Jersey; Representative John W. Heseltin, Massachusetts; Mr. Harry Carter, executive assistant to Senator Alexander H. Smith, New Jersey; Mr. William G. Reidy, professional staff, Senate Committee on Labor and Public Welfare; Mr. Kurt Borchardt, professional staff, House Committee on Interstate and Foreign Commerce.

State and Territorial health officers: Dr. D. G. Gill, Alabama; Dr. Stanley H. Osborn, Connecticut; Dr. Floyd I. Hudson, Delaware; Dr. D. L. Seckinger, District of Columbia; Dr. Ralph W. McComas, Florida; Dr. John H. Venable, Georgia; Dr. Roland R. Cross, Illinois; Dr. B. Groesbeck, Indiana; Dr. Edmund G. Zimmerer, Iowa; Dr. Thomas R. Hood

and Dr. Philip A. Bearg, Kansas; Dr. Edward Davens, Maryland; Dr. S. B. Kirkwood, Massachusetts; Dr. Albert E. Heustis, Michigan; Dr. Daniel Borgsma, New Jersey; Dr. Herman E. Hilleboe and Dr. Robert F. Korn, New York; Dr. J. W. R. Norton, North Carolina; Dr. Ralph E. Dwork, Ohio; Dr. Abel DeJuan, Puerto Rico; Dr. N. H. Dyer, West Virginia; Dr. Carl N. Neupert, Wisconsin.

APPENDIX 3

ORGANIZATIONS REPRESENTED AT CITIZENS CONFERENCE ON SALK POLIOMYELITIS VACCINE, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, WASHINGTON, D. C., APRIL 27, 1955

Advertising Council.

American Academy of Obstetrics and Gynecology.

American Association of School Administrators.

American Association for Health, Physical Education, and Recreation.

American Association of University Women.

American Council on Education.

American Farm Bureau Federation.

American Federation of Labor.

American Legion.

American Medical Association.

American Municipal Association.

American National Red Cross.

American Parents Committee, Inc.

American Public Welfare Association, Inc.

Association for Childhood Education.

Boys' Clubs of America, Inc.

Camp Fire Girls.

Child Welfare League of America, Inc.

Congress of Industrial Organizations.

Cooperative Health Federation.

Council of State Governments.

General Federation of Women's Clubs, Inc.

Girl Scouts of the United States of America.

International Association of Machinists.

National Catholic Educational Association.

National Catholic Welfare Conference.

National Conference for Cooperation in Health Education.

National Congress of Parents and Teachers.

National Council of Catholic Women.

National Council of Negro Women, Inc.

National Council of Churches of Christ in the United States of America.

National Council of Jewish Women.

National Foundation for Infantile Paralysis.

National Education Association of the United States.

National Farmers Union.

National Grange.

National Jewish Welfare Board.

National School Board Association.

National Social Welfare Assembly, Inc.

National Urban League.

Railway Labor Executives Association.

Save the Children Federation, Inc.

Spokesmen for Children, Inc.

Temple Hill Baptist Church.

United Mine Workers of America.

United Parents Association.

United States Conference of Mayors.

Young Women's Christian Association.

APPENDIX 4

MEETING OF THE NATIONAL ADVISORY COMMITTEE ON POLIOMYELITIS VACCINE

The following recommendations were made at the first meeting of the National Advisory Committee on Poliomyelitis Vaccine.

(a) That the supplies of Salk vaccine be distributed in the most equitable manner on a State-by-State basis, and that the total supply for the next 2 months (i. e., until July 1) be limited to children 5-9 inclusive.

(NOTE.—This recommendation appears to vary somewhat with the epidemiological and geographical characteristics of poliomyelitis. The reasons for selecting this age-group on a country-wide basis are:

(i) NFIP program has included 9 million children in this age group as their first priority.

(ii) It is not only the most susceptible age group for the whole country, but it is also the group in which there is evidence that the vaccine is effective.

(iii) It is currently estimated there will be enough vaccine to immunize age group 5-9 in the United States before the peak of the polio season.

(iv) It is a group easy to reach.

(v) If age priorities were set up on a State-by-State basis, it might create confusion between neighboring States.)

(b) That every physician keep a record of the name, address, age and date of vaccination on the individual, as well as the lot number and names of the distributor and manufacturer; and that every distributor keep a record of the lot number and manufacturer and the customer.

(c) That State advisory committees be set up immediately to gather information concerning the needs, distribution, and uses of vaccine within the States and that these committees be representative of the health departments, medical societies, pharmaceutical associations, and general public.

(d) That the State advisory groups work closely with the staff of the National Advisory Committee on Poliomyelitis Vaccine to determine how much vaccine is needed for public agencies for the immunization of children who cannot afford to pay for it. Thus a fair proportion of the vaccine may be allocated for such children and who will be in the age group 5-9 years for the next 2 months.

(e) That the manufacturers report their supplies of vaccine to the Secretary of Health, Education, and Welfare every 2 weeks so that the National Advisory Committee can recommend to the manufacturers equitable geographical distribution of vaccine so that it will reach the greatest number of 5-9 children during the next 2 months.

(f) That an allocation be made for the Department of Defense to procure vaccine for personnel of the uniformed services and their dependents, in accordance with recommendations of the National Advisory Committee for Poliomyelitis Vaccine as to distribution.

(g) That vaccine for members and dependents of the uniformed services abroad, and for personnel and dependents of the Department of State and other United States Government agencies abroad be administered by the Department of Defense; and that allocations for such use be determined by the Committee consistent with the age-group priority in effect in the United States.

(h) That the vaccine should be made available on a world-wide scale as soon as possible.

In connection with these recommendations, the Committee urged that the people of the United States be kept thoroughly informed of the status of vaccine supplies, priority groups, allocation plans, and the like.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATIONS—CONFERENCE REPORT

During the colloquy between Mr. MORSE and Mr. BENDER on the subject of the Salk vaccine, the following occurred:

Mr. JOHNSON of Texas. Mr. President, the House has adopted the conference report on the agricultural appropriation bill. The distinguished chairman of the Subcommittee on Agricultural Appropriations, the Senator from

Georgia [Mr. RUSSELL] is in the Chamber. I ask unanimous consent that at the conclusion of the statement by the Senator from Oregon [Mr. MORSE] the Senate proceed to the consideration of the conference report. Therefore, I ask unanimous consent that the conference report may be in order immediately following the Senator's statement.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. RUSSELL. Has unanimous consent been granted that the conference report on the agricultural appropriation bill may be taken up at this time?

The ACTING PRESIDENT pro tempore. Unanimous consent has been granted for that purpose.

Mr. RUSSELL. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5239) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1956, and for other purposes.

The ACTING PRESIDENT pro tempore. The report will be read for the information of the Senate.

The legislative clerk read the report. (For conference report, see House proceedings of today.)

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. KNOWLAND. Do I understand correctly that all the conferees were present when the conference report was agreed to?

Mr. RUSSELL. It was signed by all conferees on the part of the Senate who attended the conference. The minority was represented by the distinguished junior Senator from North Dakota [Mr. Young], the ranking member of the subcommittee on agricultural appropriations. Also present was the distinguished Senator from Louisiana [Mr. ELLENDER], the chairman of the Committee on Agriculture and Forestry.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the conference report? Without objection, the report is agreed to.

Mr. HOLLAND. Mr. President, has the report been agreed to?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. HOLLAND. I thought the distinguished Presiding Officer was inquiring whether there was any objection to the consideration of the conference report.

The ACTING PRESIDENT pro tempore. The Senator is correct. The Presiding Officer heard no objection.

Mr. HOLLAND. Therefore the Presiding Officer assumed that the report should be considered and adopted at the same time?

Mr. HUMPHREY. May I inquire what the status of the conference report is?

The ACTING PRESIDENT pro tempore. The Chair will withhold announcement of agreement to the conference report in order that the Senator from Florida may proceed.

Mr. HOLLAND. I have a question or two which I should like to address to the distinguished chairman of the Agriculture Subcommittee of the Senate Appropriations Committee, who was chairman of the conference committee which considered the bill.

I note, first, a reference in the report indicating that the action of the Senate in stepping up by \$308,700 the amount for plant quarantine inspection at ports was agreed to in conference, and that that additional amount will become available if the report shall be adopted. Am I correct in my understanding?

Mr. RUSSELL. The Senator is correct. The conferees agreed to the Senate amendment in respect to that item. It provides for \$308,700, which I think is the largest amount which has ever been made available for that purpose.

Mr. HOLLAND. That is, for plant quarantine at ports of entry, particularly where the hazard is the greatest?

Mr. RUSSELL. Of course, I assume that the Department of Agriculture will use the greater part of this sum at ports where the hazard is the greatest. That was brought out in the hearings, and I think that was the general understanding of the conferees.

Mr. HOLLAND. I thank the distinguished Senator.

I should like to ask another question. The Senator will recall that the Senate committee took action by which the fund for emergency outbreaks of insects causing plant diseases was increased from \$400,000 to \$1,100,000. As I understand the report, which I have had in my possession for only a few minutes, it seems to indicate that an increase from \$400,000 to \$1 million was approved, but the complete increase to \$1,100,000 was not approved in conference.

Mr. RUSSELL. The Senator is correct. However, I should not like to have the RECORD closed with that statement, because it was generally understood that if it were necessary to have additional funds, they would be provided by way of supplemental appropriations.

Mr. HOLLAND. In other words, there was no feeling evidenced at all in the conference committee of an unwillingness to meet any outbreak of that sort?

Mr. RUSSELL. Not at all. There was some difference of opinion as to the sum that might be needed, but it was a matter of sheer conjecture on the part of the conferees on both sides, because we did not have the scientific information which would enable us to ascertain to a nicety the amount of money needed to deal with any emergency outbreak.

Mr. HOLLAND. I thank the Senator.

My next question relates to the general amount available for research in the field of controlling, and, we hope, eradicating, screw worm, the pest which is so adversely affecting livestock, particularly in the southern portion of the United States. Is there in the report any departure from the approval of that objective?

Mr. RUSSELL. No; I think the report very clearly indicates that it is the intention of the Department to deal with

every one of the items set forth in the report.

Mr. HOLLAND. Including research in the matter of spreading decline in the citrus industry?

Mr. RUSSELL. That is correct. There is no question that the Department is obligated to do work in both of those fields.

Mr. HOLLAND. For the present, that work is to be in research and surveys, with the direction contained in the report of the Senate committee still standing that a speedy report be made if a method of control or elimination is discovered.

Mr. RUSSELL. There is nothing in the conference report or in any agreement between the conferees of the House or the Senate that would in anywise indicate that a report will not be expedited as rapidly as may be possible.

Mr. HOLLAND. Mr. President, I warmly congratulate the distinguished Senator and his fellow conferees upon retaining in the conference measure the important items which I have mentioned, as well as others.

Mr. RUSSELL. I thank the Senator from Florida.

Mr. HUMPHREY. Mr. President, I should like to ask the Senator from Georgia if there is any change at all in the sum of money made available for the conservation program.

Mr. RUSSELL. The amount provided for the next calendar year is \$250 million. As the Senator knows, the program operates on the calendar-year basis rather than on the fiscal-year basis.

Mr. HUMPHREY. I notice that the conferees agreed to the House language providing for a special study of the price spread between the farmer and the consumer, and for that purpose appropriated the sum of \$250,000.

Mr. RUSSELL. The Senator is correct. The conferees, after some intensive discussion, concluded that that would be a sufficient amount to get the study underway.

Mr. HUMPHREY. The study will be conducted by the Department of Agriculture under its marketing service program, will it not?

Mr. RUSSELL. That is correct. They have a trained staff available to conduct that study.

Mr. HUMPHREY. Does the study also require some companion action by an appropriate committee of the Congress to doublecheck the survey and analysis which may be made?

Mr. RUSSELL. I know of nothing that is more important at this time to combat the unreasonable attitude of some persons toward the farmers than is a study of the price spread between the farmer and the consumer. I believe that if consumers were aware of the fact that the farmer's share of the dollar spent by consumers for food and clothing is constantly decreasing every year, they would have an entirely different attitude toward farm legislation which would place farmers on a parity with their fellow Americans.

Mr. HUMPHREY. I thank the Senator, and I commend him for the wonderful contribution he has made toward

bringing to the Senate and piloting the agricultural appropriation bill through the conference committee with the help, of course, of other Senators.

Mr. RUSSELL. I am glad to have those kind words from such a stout fighter for the farmers of the Nation.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

The ACTING PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 5239, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
May 17, 1955.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 24 to the bill entitled "An act making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1956, and for other purposes," and concur therein.

ELIGIBILITY FOR CONSERVATION PAYMENTS

The Senate resumed the consideration of the bill (H. R. 1573) to repeal section 348 of the Agricultural Adjustment Act of 1938.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call may be rescinded.

The PRESIDING OFFICER (Mr. EIBLE in the chair). Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. JOHNSON of Texas. Mr. President, I have an announcement to make to the Senate, and I should like to have the attention of the distinguished minority leader.

When action has been concluded on H. R. 1573, which is the unfinished business, I hope it will be possible for the Senate to proceed to the consideration of Calendar No. 217, Senate bill 153, to amend the REA loan formula. An effort is being made to reach an agreement among the members of the committee and other Senators interested in the measure.

I also wish to place the Senate on notice that it is planned to consider Calendar No. 234, Senate Joint Resolution 8, to amend the Constitution to authorize governors to fill temporary vacancies in the Congress caused by a disaster. I have previously cleared this measure with the able minority leader.

The Subcommittee on Reorganization, of the Committee on Government Operations, has ordered reported H. R. 3322, a bill to improve the administration of the program for utilization of surplus property for educational and health purposes. That bill could not be considered today, but it is possible that it

may be called up on Thursday. I wish Senators to be informed of this possibility, and I should like the able minority leader to check H. R. 3322, since I have not previously cleared it with him.

I understand that the committee of conference will meet tomorrow to consider the reciprocal trade bill, so it may be that the conference report will be available for consideration by the Senate on Thursday. I desire to place the Senate on notice as to that possibility.

Also in conference are the Department of the Interior and the Treasury-Post Office appropriation bills. As soon as the conference reports on those bills are ready, I hope that the Senate may proceed promptly to consider them.

It is my plan to have the Senate take up on Friday Calendar No. 354, Senate bill 1048, the road bill. The report on that bill is due to be filed on Thursday. By agreement, no votes will be taken on the bill on Friday, but Senators may engage in as much discussion as may be desired on that day. The Senate will again be in session on next Monday, and during the early part of the week a determination can be made as to when the Senate may wish to vote on that measure.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to my distinguished colleague from California.

Mr. KNOWLAND. So far as the program which the distinguished majority leader has outlined up to this time is concerned, it is entirely satisfactory, with the exception of the new bill he has mentioned. I will immediately check as to H. R. 3322. However, as to the other sequence of bills, I am certain that we will cooperate in every way possible.

I also want to call the attention of the distinguished majority leader to my uncertainty as to proceeding with S. 1048, the highway bill. That bill has been called to my attention by a number of Senators on this side of the aisle. I understand, as the majority leader has stated, that the report and minority views are due to be filed Thursday noon and presumably will go to the Public Printer at that time. The printed copies should be available and on the desks of Senators by noon on Friday.

But because the minority views constitute the supporting document for an amendment in the nature of a substitute for the proposed \$27 billion road bill, as to the need for which there is an honest difference of opinion, some Members, especially those who are not on the Committee on Public Works, have suggested that it might be more satisfactory for them to have the weekend in which to study the minority views and the accompanying amendment in the nature of a substitute, so as to enable them to participate more fully in the debate on Monday.

I merely mention this to the distinguished majority leader because I have had a number of requests from Senators on this side of the aisle to permit that to be done, if it would fit in with the plans.

Mr. JOHNSON of Texas. My inclination always is to conform with any sug-

gestion made by the distinguished minority leader, if it is possible to do so. I would be the last to urge that any action whatsoever be taken on the road bill on Friday, other than to afford Senators who are prepared to discuss the bill an opportunity to do so.

The bill was reported last Friday. It is somewhat unusual, whether it be an appropriation bill or a \$27 billion road bill, for a committee to have a full week to file a report on action which it has taken. But, Mr. President, the committee did have a week. The bill was reported to the Senate last Friday, and no action will be taken until Friday of this week, and then there will be only general discussion, and any 1 of the 96 Senators can take home the majority report and the minority views, and any individual reports which may be available, study them, read them, and digest them until Monday. I expect that the Senate will be considering the road bill into Tuesday, and perhaps Wednesday.

I desire to make it abundantly clear that I have assured the minority leader that there would be no votes on Friday, but I have also assured other Senators that we would proceed to the consideration of the bill, if the Senate sustains me, on Friday, for the purpose of having general discussion.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to the Senator from New Mexico.

Mr. CHAVEZ. Mr. President, at the insistence of minority Members who requested that they be given until Thursday to file their views, the matter was delayed. As a matter of fact, I asked unanimous consent, because unanimous consent had to be obtained, that the minority be permitted until Thursday to file their views. The only reason for the delay is that they wanted time.

Mr. KNOWLAND. Mr. President, will the Senator from New Mexico yield?

Mr. CHAVEZ. I yield.

Mr. KNOWLAND. As I am sure the majority leader knows, it is the desire at all times of the minority leader, in the normal processes of the Senate, to cooperate fully, but the report of the committee itself, as shown on page 6 of the calendar, was apparently filed on May 13. This is only the 17th—

Mr. CHAVEZ. Mr. President—

Mr. JOHNSON of Texas. I call attention to the fact we are not debating the bill today. The report was filed last Friday. We are not even going to start debating the bill until next Friday, and then there will be nothing but general discussion. The bill will be discussed again on Monday. If the distinguished Senator from California desires, I am willing to agree that there be no votes on Monday. I am certain there is no possibility of getting a vote on Friday, and probably not on Monday.

I did not object to the unanimous consent request of the minority that they have one full week to explain what they had voted on a week before. I thought it was unusual. I said so to the chairman of the subcommittee and the chairman of the full committee. I desire to go along with my delightful friend, the minority leader, and the other Mem-

House of Representatives

TUESDAY, MAY 17, 1955

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, in the quiet of this noon hour, we are centering our thoughts upon the amazing greatness and grandeur of the Prince of Peace in whom we find our noblest incentives for right living and heroic service.

Grant that our own life may bear clear and unmistakable testimony that we are seeking to emulate and incarnate his spirit of love and good will and striving to deliver humanity out of the bondage of rancor and hatred and lead it into the paths of brotherly kindness.

Help us to feel that the hour has struck when the moral and spiritual forces must accept the leadership in dispelling from the hearts of men and nations all bitterness and prejudice.

Take away from us the moods of discouragement and defeatism, and may we believe that our longing for peace on earth is not merely an idle dream and a vague impossibility but a glorious, divine inspiration which someday will be a blessed reality.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRA- TION BILL, 1956

Mr. WHITTEN. Mr. Speaker, I call up the conference report on the bill (H. R. 5239) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1956, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of March 16, 1955.)

Mr. WHITTEN (interrupting the reading of the statement). Mr. Speaker, I ask unanimous consent that the further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mrs. GRIFFITHS. Mr. Speaker, reserving the right to object, I would like

to ask the gentleman a question. I would like to make it clear that in this conference report where you have stated:

The conferees are also in full agreement that the recent action of the Department decreasing attention to home-economics research should be reviewed and a portion of the funds transferred to human nutrition should be redirected to its original purpose, as contemplated by the amendment adopted in the Senate.

That the conferees in this report do not agree that home economics as such be dispensed with by the Department of Research; is that right?

Mr. WHITTEN. I will say to the gentlewoman that certainly that is our intent. We tried, in the language, to make it quite evident that that was our position. May I say that is as far as we knew how to go. The Senate amendment was hardly needed to get the job done, in that it took the place of what the House had in its report. We mentioned the Senate amendment to make it clear that by not including it—there was no need to include it—we did not need to change the intent of that amendment in the least. So, insofar as we could—and the conference report was unanimously adopted—we made it quite clear at least how the conferees felt about this matter.

Mrs. GRIFFITHS. I should like to ask the gentleman further, in general these departments have followed the intent of Congress; is that not true?

Mr. WHITTEN. In general I would say that the gentlewoman is correct. There have been exceptions, but if they do not, there is nothing that can be done other than to tell them what to do.

Mrs. GRIFFITHS. Then I would like to ask further, the amount of money that was appropriated originally contemplated that home economics research, apart from that in the nutrition field, would be continued; is that not so?

Mr. WHITTEN. We did not try to earmark a definite amount of money. We did say, and the Senate amendment provided, that not less than \$40,000 be retransferred. In the opinion of the House committee, in view of the overall size of the appropriation for the Bureau of Human Nutrition and Home Economics, we seriously questioned whether that was an ample transfer. We feel that a substantial part of the work heretofore done by the home economics section should be restored. Insofar as pinpointing exactly how much, we have not tried to do that.

Mrs. GRIFFITHS. But the amount of money that the Department asked was an amount sufficient to have carried on home economics research as it was originally set up; is not that right?

Mr. WHITTEN. May I say that the original amount was \$1,426,000 and when this home economics work was cut out at the direction of the director, no money was returned to the Treasury, but all the funds were transferred to the work on human nutrition. So the full amount formerly carried for both lines of work is retained. They are merely directed to reallocate or to give back a reasonable share of the money to the home economics work.

Mrs. GRIFFITHS. I thank the gentleman very much. In view of the fact that the gentleman has made it amply clear that it is the sense of this body that the home economics research, apart from that connected with human nutrition, is to be continued in this Department as it has been for the last 32 years, I withdraw my objection.

There should now be no doubt in the minds of Secretary Benson and others in the Department that the Congress intends for this worthwhile research program to be reinstated and continued.

Progress in any human endeavor results directly from impartial, objective research activities. The American home and family living should be given as much importance in the consideration of a balanced research program as any other matter.

One of the great contributions of home economics research by our Government is the fact that this work is not duplicated anywhere else. Our great home economics teaching programs, the work of home demonstration agents, and the progress of individual homemakers depends upon a continuation of a balanced research program within the Department.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. WHITTEN]?

There was no objection.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the amendment in disagreement.

The Clerk read as follows:

Page 27, line 22, insert "": *Provided further, That \$934,914 of this authorization shall be placed in reserve to be apportioned pursuant to section 3679 of the Revised Statutes, as amended, for use only in such amounts and at such time as may become necessary to carry out program operations: Provided further."*

Mr. WHITTEN. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the motions was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 3 legislative days in which to extend their remarks on the conference report just adopted.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

COMMITTEE ON PUBLIC WORKS

Mr. DEMPSEY. Mr. Speaker, I ask unanimous consent that the Subcommittee on Flood Control of the House Committee on Public Works may be permitted to sit this afternoon while the House is in session during general debate.

The SPEAKER. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. ENGLE. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs be permitted to sit this afternoon during general debate while the House is in session.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

COMMITTEE ON THE JUDICIARY

Mr. CELLER. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be permitted to sit this afternoon while the House is in session during general debate.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

AUSTRIA IS FREE

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. SIKES. Mr. Speaker, Austria is free. The rejoicing of her people is understandable and moving. Yet strangely this freedom for much of Austria comes as an anticlimax. Actually the allied sections of Austria have been free in nearly all aspects since shortly after the end of World War II. Had not the Russians interposed endless objection all of Austria would have been fully free 5 years ago. Yet I fear that Russia now gets the lion's share of the credit in the minds of the Austrians for the freedom which finally has come to them. So cleverly did the Russians maneuver the final preparation and signing of the treaties that the Allies found themselves clambering to get on the bandwagon of Austrian freedom which the Allies themselves had long previously endorsed.

There is in this a very pointed lesson. Top-level talks are programed on peace and coexistence worldwide. I earnestly hope America's leaders do not find themselves again clambering to get on a band-

wagon for the unification of Germany after Russia grabs credit with the Germans for putting it in motion. I hope our leaders are able to convince the world that we are the ones who have sought peace; the ones who have paid dearly from our own resources to help others; the ones who really believe in and practice freedom for others.

At this point the Russians are preparing to claim all these things as their own private inventions—and to brand us as the obstructionists who have prevented their realization. It will be interesting to see how much we have learned about dealing with the rest of the world. We have had some costly lessons. I hope the scheduled top-level conferences will not prove to be just another costly lesson.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

PENSION FOR MEDAL OF HONOR HOLDERS

The Clerk called the bill (H. R. 735) to increase the rate of special pension payable to certain persons awarded the Medal of Honor.

Mr. FORD. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

COMMISSION OF FINE ARTS

The Clerk called the bill (H. R. 4534) to amend the act establishing a Commission of Fine Arts.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 2 of the act entitled "An act establishing a Commission of Fine Arts," approved May 17, 1910 (40 U. S. C., secs. 104-106), is amended to read as follows:

"SEC. 2. There are hereby authorized to be appropriated each year such sums as may be necessary to enable the Commission of Fine Arts to carry out its functions under this act."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING SECTION 5 OF THE FLOOD CONTROL ACT

The Clerk called the bill (H. R. 3878) to amend section 5 of the Flood Control Act of August 18, 1941, as amended, pertaining to emergency flood control work.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 5 of the Flood Control Act of August 18, 1941, as amended by section 210 of the Flood Control Act of 1950, is hereby further amended to read as follows: "That there is hereby authorized an emergency fund in the amount of \$15,000,000 to be expended in flood emergency preparation; in flood fighting and rescue operations, or in the repair or restora-

tion of any flood-control work threatened or destroyed by flood, including the strengthening, raising, extending, or other modification thereof as may be necessary in the discretion of the Chief of Engineers for the adequate functioning of the work for flood control. The appropriation of such moneys for the initial establishment of this fund and for its replenishment on an annual basis, is hereby authorized: *Provided*, That pending the appropriation of said sum, the Secretary of the Army may allot, from existing flood-control appropriations, such sums as may be necessary for the immediate prosecution of the work herein authorized, such appropriations to be reimbursed from the appropriation herein authorized when made. The Chief of Engineers is authorized in the prosecution of work in connection with rescue operations, or in conducting other flood emergency work, to acquire on a rental basis such motor vehicles, including passenger cars and buses, as in his discretion are deemed necessary."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALASKA WATER RESOURCES

The Clerk called the bill (H. R. 3990) to authorize the Secretary of the Interior to investigate and report to the Congress on projects for the conservation, development, and utilization of the water resources of Alaska.

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

SUBVERSIVE ACTIVITIES CONTROL ACT OF 1950

The Clerk called the bill (H. R. 4753) to amend subsection (e) (1) of section 13A of the Subversive Activities Control Act of 1950 to change from 2 years to 3 years the standard contained therein with respect to the past affiliations of individuals conducting the management of certain organizations.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That paragraph (1) of subsection (e) of section 13A of the Subversive Activities Control Act of 1950 is amended by striking out "two years" and inserting "three years" in lieu thereof.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PURCHASE OF BONDS COVERING POSTAL EMPLOYEES

The Clerk called the bill (H. R. 4778) to provide for the purchase of bonds to cover postmasters, officers, and employees of the Post Office Department, contractors with the Post Office Department, mail clerks of the Armed Forces, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That whenever the Postmaster General determines it to be to

Public Law 40 - 84th Congress
Chapter 43 - 1st Session
H. R. 5239

AN ACT

All 69 Stat. 51.

Making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1956, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1956, namely:

Department of
Agriculture and
Farm Credit Ad-
ministration Ap-
propriation Act,
1956.

DEPARTMENT OF AGRICULTURE

TITLE I—REGULAR ACTIVITIES

AGRICULTURAL RESEARCH SERVICE

SALARIES AND EXPENSES

For expenses necessary to perform agricultural research relating to production and utilization, to control and eradicate pests and plant and animal diseases, and to perform related inspection, quarantine and regulatory work, and meat inspection: *Provided*, That not to exceed \$15,000 of the appropriations hereunder shall be available for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U. S. C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a): *Provided further*, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase (for emergency replacement only) of not to exceed one: *Provided further*, That appropriations hereunder shall be available pursuant to 5 U. S. C. 565a for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any one building (except head-houses connecting greenhouses) shall not exceed \$7,500 and the cost of altering any one building during the fiscal year shall not exceed \$3,750 or two per centum of the cost of the building, whichever is greater: *Provided further*, That appropriations hereunder shall be available for uniforms, or allowances therefor, as authorized by the Act of September 1, 1954 (68 Stat. 1114):

58 Stat. 742.
60 Stat. 810.
58 Stat. 742.

Research: For research and demonstrations on the production and utilization of agricultural products, and related research and services, including administration of payments to State Agricultural Experiment Stations; \$37,800,000.

Plant and animal disease and pest control: For operations and measures to control and eradicate pests and plant and animal diseases and for carrying out assigned inspection, quarantine and regulatory activities, as authorized by law; \$18,658,700, of which \$1,000,000 shall be apportioned for use pursuant to section 3679 of the Revised Statutes, as amended, for the control of outbreaks of insects and plant diseases under the joint resolution approved May 9, 1938 (7 U. S. C. 148-148e), and the Act of August 13, 1954 (Public Law 586), to the extent necessary to meet emergency conditions: *Provided further*, That no part of this appropriation shall be used to pay the cost or value of trees, farm animals, farm crops, or other property injured or destroyed as a result of plant insect and disease control activities except potatoes and tomatoes as authorized under the Golden Nematode Act: *Provided further*, That, in the discretion of the Secretary, no part of this appropriation shall be expended for the control of sweet-potato weevil in

Ante, p. 49.
5 USC 2131 note.
31 USC 665.
52 Stat. 344.
68 Stat. 717.
7 USC 148.
62 Stat. 442.
7 USC 150 note.

All 69 Stat. 52.

any State until such State has provided cooperation necessary to accomplish this purpose, or for barberry eradication until a sum or sums at least equal to such expenditures shall have been made available by States, counties, or local authorities, or by individuals or organizations for the accomplishment of this purpose, or with respect to the golden nematode except as prescribed in section 4 of the Golden Nematode Act.

7 USC 150c.

Meat inspection: For carrying out the provisions of laws relating to Federal inspection of meat and meat-food products and the applicable provisions of the laws relating to process or renovated butter; \$14,325,000.

PAYMENTS TO STATES, HAWAII, ALASKA, AND PUERTO RICO

For payments to the States, Hawaii, Alaska, and Puerto Rico to be paid quarterly in advance where applicable, to carry into effect the provisions of the following Acts relating to agricultural experiment stations:

	Hatch Act, the Act approved March 2, 1887 (7 U. S. C. 362, 363, 365, 368, 377-379), \$720,000; Adams Act, the Act approved March 16, 1906 (7 U. S. C. 369), \$720,000; Purnell Act, the Act approved February 24, 1925 (7 U. S. C. 361, 366, 370, 371, 373-376, 380, 382), \$2,880,000; Bankhead-Jones Act, title I of the Act approved June 29, 1935 (7 U. S. C. 427-427g), sections 3 and 5, \$2,863,708, and sections 9 and 11 of said Act as added by the Act of August 14, 1946 (7 U. S. C. 427h, 427j), including administration by the Office of Experiment Stations in the United States Department of Agriculture, \$16,800,000, no part of which latter amount shall be used for beginning construction of any building costing in excess of \$15,000; Hawaii, the Act approved May 16, 1928 (7 U. S. C. 386-386b), extending the benefits of certain Acts of Congress to the Territory of Hawaii, \$90,000; Alaska, the Act approved February 23, 1929 (7 U. S. C. 386c), extending the benefits of the Hatch Act to the Territory of Alaska, \$15,000, and the provisions of section 2 of the Act approved June 20, 1936, as amended (7 U. S. C. 369a), extending the benefits of the Adams and Purnell Acts to the Territory of Alaska, \$75,000; Puerto Rico, the Act approved March 4, 1931, as amended (7 U. S. C. 386d-386f), extending the benefits of certain Acts of Congress to Puerto Rico, \$90,000; section 204 (b) of the Agricultural Marketing Act, the Act approved August 14, 1946 (7 U. S. C. 1623), \$500,000; in all, payments to States, Hawaii, Alaska, and Puerto Rico, \$24,753,708.
24 Stat. 440.	
34 Stat. 63.	
43 Stat. 970.	
49 Stat. 436.	
60 Stat. 1083.	
45 Stat. 571.	
45 Stat. 1256.	
49 Stat. 1554;	
64 Stat. 563.	
46 Stat. 1520.	
60 Stat. 1089.	

FOOT-AND-MOUTH AND OTHER CONTAGIOUS DISEASES OF ANIMALS AND POULTRY

Eradication activities: For expenses necessary in the arrest and eradication of foot-and-mouth disease, rinderpest, contagious pleuropneumonia, or other contagious or infectious diseases of animals, or European fowl pest and similar diseases in poultry, including the payment of claims growing out of destruction of animals (including poultry) affected by or exposed to, or of materials contaminated by or exposed to, any such disease, when there has been compliance with all lawful quarantine regulations, and for foot-and-mouth disease and rinderpest programs undertaken pursuant to the provisions of the Act of February 28, 1947, and the Act of May 29, 1884, as amended (7 U. S. C. 391; 21 U. S. C. 111-122), including expenses in accordance with section 2 of said Act of February 28, 1947, the Secretary may transfer from other appropriations or funds available to the bureaus, corporations, or agencies of the Department such sums as he may

Payment of
claims.

61 Stat. 7; 23
Stat. 31.
21 USC 114c.

deem necessary, but not to exceed \$2,250,000 for eradication of vesicular exanthema of swine, to be available only in an emergency which threatens the livestock or poultry industry of the country, and any unexpended balances of funds transferred under this head in the next preceding fiscal year shall be merged with such transferred amounts: *Provided*, That, except for payments made pursuant to said Act of February 28, 1947, the payment for animals may be made on appraisal based on the meat, egg-production, dairy, or breeding value, but in case of appraisal based on breeding value no appraisal of any animal shall exceed three times its meat, egg-production, or dairy value and, except in case of an extraordinary emergency to be determined by the Secretary, the payment by the United States shall not exceed one-half of any such appraisements: *Provided further*, That this appropriation shall be subject to applicable provisions contained in the item "Salaries and expenses, Agricultural Research Service".

Appraisalment
basis.

Research: For expenses necessary for research authorized by the Act of April 24, 1948 (21 U. S. C. 113a), \$1,900,000.

62 Stat. 198.

EXTENSION SERVICE

PAYMENTS TO STATES, HAWAII, ALASKA, AND PUERTO RICO

For payments for cooperative agricultural extension work under the Smith-Lever Act, as amended by the Act of June 26, 1953 (Public Law 83), \$44,155,000; and payments and contracts for such work under section 204 (b)-205 of the Agricultural Marketing Act of 1946 (7 U. S. C. 1623-1624), \$1,320,000; in all, \$45,475,000: *Provided*, That funds hereby appropriated pursuant to section 3 (c) of the Act of June 26, 1953 (Public Law 83) shall not be paid to any State, Hawaii, Alaska, or Puerto Rico prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year.

67 Stat. 83.
7 USC 341-348.
60 Stat. 1089.

FEDERAL EXTENSION SERVICE

Administration and coordination: For administration of the Smith-Lever Act, as amended by the Act of June 26, 1953 (Public Law 83), and extension aspects of the Agricultural Marketing Act of 1946 (7 U. S. C. 1621-1627), and to coordinate and provide program leadership for the extension work of the Department and the several States, Territories, and insular possessions, \$1,920,000.

67 Stat. 83.
7 USC 341-348.
60 Stat. 1087.

Penalty mail: For costs of penalty mail for cooperative extension agents, \$1,650,000.

FARMER COOPERATIVE SERVICE

For necessary expenses to carry out the Act of July 2, 1926 (7 U. S. C. 451-457), \$408,000.

44 Stat. 802.

SOIL CONSERVATION SERVICE

CONSERVATION OPERATIONS

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U. S. C. 590a-590f), including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures as may be necessary to prevent floods and the siltation of reservoirs); operation of conservation nurseries; classification and mapping of soils; dissemination of information; purchase and erection or alteration of permanent buildings; operation and main-

49 Stat. 163.

All 69 Stat. 54.

Cost of
buildings.

Restrictions.

58 Stat. 742.

60 Stat. 810.

tenance of aircraft; and furnishing of subsistence to employees; \$59,300,000: *Provided*, That the cost of any permanent building purchased, erected, or as improved, exclusive of the cost of constructing a water supply or sanitary system and connecting the same to any such building and with the exception of buildings acquired in conjunction with land being purchased for other purposes, shall not exceed \$2,500, except for eight buildings to be constructed or improved at a cost not to exceed \$15,000 per building and except that alterations or improvements to other existing permanent buildings costing \$2,500 or more may be made in any fiscal year in an amount not to exceed \$500 per building: *Provided further*, That no part of this appropriation shall be available for the construction of any such building on land not owned by the Government: *Provided further*, That in the State of Missouri, where the State has established a central State agency authorized to enter into agreements with the United States or any of its agencies on policies and general programs for the saving of its soil by the extension of Federal aid to any soil conservation district in such State, the agreements made by or on behalf of the United States with any such soil conservation district shall have the prior approval of such central State agency before they shall become effective as to such district: *Provided further*, That no part of this appropriation may be expended for soil and water conservation operations under the Act of April 27, 1935 (16 U. S. C. 590a-590f), in demonstration projects: *Provided further*, That not to exceed \$5,000 may be used for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U. S. C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a): *Provided further*, That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the service.

WATERSHED PROTECTION

For expenses necessary to conduct surveys, investigations, and research and to carry out preventive measures, including, but not limited to, engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act, approved August 4, 1954 (Public Law 566), and the provisions of the Act of April 27, 1935 (16 U. S. C. 590a-590f), to remain available until expended, \$12,000,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for watershed protection purposes.

68 Stat. 666.

16 USC 1001

note.

49 Stat. 163.

FLOOD PREVENTION

For expenses necessary, in accordance with the Flood Control Act, approved June 22, 1936 (Public Law 738), as amended and supplemented, and in accordance with the provisions of laws relating to the activities of the Department, to perform works of improvement, including not to exceed \$100,000 for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U. S. C., 574), as amended by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), at rates for individuals not to exceed \$100 per diem, to remain available until expended, \$10,000,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for flood prevention purposes: *Provided*, That no part of such funds shall be used for the purchase of lands in the Yazoo and Little Tallahatchie watersheds without specific approval of the county board of supervisors of the county in which such lands are situated: *Provided further*, That here-

49 Stat. 1570.

33 USC 701a-
701h.

58 Stat. 742.

60 Stat. 810.

after the funds appropriated for flood prevention purposes may be expended in watersheds heretofore authorized by section 13 of the Flood Control Act of December 22, 1944, as amended, for necessary measures for the prevention of erosion, floodwater, and sediment damages, including gully control, floodwater detention, and floodway structures, in areas other than those over which the Department of the Army has jurisdiction and responsibility. 58 Stat. 905.

AGRICULTURAL CONSERVATION PROGRAM SERVICE

For necessary expenses to carry into effect the provisions of sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936, as amended (16 U. S. C. 590g-590q), including not to exceed \$6,000 for the preparation and display of exhibits, including such displays at State, interstate, and international fairs within the United States; \$214,500,000, to remain available until December 31 of the next succeeding fiscal year for compliance with the program of soil-building practices and soil- and water-conserving practices authorized under this head in the Department of Agriculture and Farm Credit Administration Appropriation Act 1955, carried out during the period July 1, 1954, to December 31, 1955, inclusive: 49 Stat. 1148.

Provided, That not to exceed \$22,800,000 of the total sum provided under this head shall be available during the current fiscal year for salaries and other administrative expenses for carrying out such program, the cost of aerial photographs, however, not to be charged to such limitation; but not more than \$4,320,000 shall be transferred to the appropriation account, "Administrative expenses, section 392, Agricultural Adjustment Act of 1938": 68 Stat. 311.

Provided further, That payments to claimants hereunder may be made upon the certificate of the claimant, which certificate shall be in such form as the Secretary may prescribe, that he has carried out the conservation practice or practices and has complied with all other requirements as conditions for such payments and that the statements and information contained in the application for payment are correct and true, to the best of his knowledge and belief, under the penalties of title 18, United States Code: 52 Stat. 69.

Provided further, That none of the funds herein appropriated or made available for the functions assigned to the Agricultural Adjustment Agency pursuant to the Executive Order Numbered 9069, of February 23, 1942, shall be used to pay the salaries or expenses of any regional information employees or any State information employees, but this shall not preclude the answering of inquiries or applying of information at the county level to individual farmers: 7 USC 1392.

Provided further, That such amount shall be available for salaries and other administrative expenses in connection with the formulation and administration of the 1956 program of soil-building practices and soil- and water-conserving practices, under the Act of February 29, 1936, as amended (amounting to \$250,000,000, including administration, and formulated on the basis of a distribution of the funds available for payments and grants among the several States in accordance with their conservation needs as determined by the Secretary, except that the proportion allocated to any State shall not be reduced more than 15 per centum from the distribution for the next preceding program year, and no participant shall receive more than \$1,500, except where the participants from two or more farms or ranches join to carry out approved practices designed to conserve or improve the agricultural resources of the community); but the payments or grants under such programs shall be conditioned upon the utilization of land with respect to which such payments or grants are to be made in conformity with farming practices which will encourage and pro-

62 Stat. 683.
50 USC app.
601 note.

49 Stat. 1148.
16 USC 590g-
590q.

49 Stat. 1150.

Restriction.

53 Stat. 1147.
5 USC 118k
note.
62 Stat. 792.

vide for soil-building and soil- and water-conserving practices in the most practical and effective manner and adapted to conditions in the several States, as determined and approved by the State committees appointed pursuant to section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended (16 U. S. C. 590h (b)), for the respective States: *Provided further*, That not to exceed 5 per centum of the allocation for the 1956 agricultural conservation program for any county may, on the recommendation of such county committee and approval of the State committee, be withheld and allotted to the Soil Conservation Service for services of its technicians in formulating and carrying out the agricultural conservation program in the participating counties, and the funds so allotted may be placed in a single account for each State, and shall not be utilized by the Soil Conservation Service for any purpose other than technical and other assistance in such counties: *Provided further*, That for the 1956 program \$2,500,000 shall be available for technical assistance in formulating and carrying out agricultural conservation practices and \$1,000,000 shall be available for conservation practices related directly to flood-prevention work in approved watersheds: *Provided further*, That in carrying out the 1956 program the Secretary shall give particular consideration to the conservation problems on farmlands diverted from crops under acreage-allotment programs: *Provided further*, That such amounts shall be available for the purchase of seeds, fertilizers, lime, trees, or any other farming material, or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out farming practices approved by the Secretary under programs provided for herein: *Provided further*, That no part of any funds available to the Department, or any bureau, office, corporation, or other agency constituting a part of such Department, shall be used in the current fiscal year for the payment of salary or travel expenses of any person who has been convicted of violating the Act entitled "An Act to prevent pernicious political activities", approved August 2, 1939, as amended, or who has been found in accordance with the provisions of title 18, United States Code, section 1913, to have violated or attempted to violate such section which prohibits the use of Federal appropriations for the payment of personal services or other expenses designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation by Congress except upon request of any Member or through the proper official channels.

AGRICULTURAL MARKETING SERVICE

MARKETING RESEARCH AND SERVICE

60 Stat. 1087.

58 Stat. 742.

For expenses necessary to carry on research and service to improve and develop marketing and distribution relating to agriculture as authorized by the Agricultural Marketing Act of 1946 (7 U. S. C. 1621-1627) and other laws, including the administration of marketing regulatory acts connected therewith: *Provided*, That appropriations hereunder shall be available pursuant to 5 U. S. C. 565a for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of erecting any one building shall not exceed \$7,500 and the cost of altering any one building during the fiscal year shall not exceed \$3,750 or 2 per centum of the cost of the building, whichever is greater:

Marketing research and agricultural estimates: For research and development relating to agricultural marketing and distribution, for analyses relating to farm prices, income and population, and demand

for farm products, and for crop and livestock estimates; \$11,046,000: *Provided*, That not less than \$250,000 of the funds contained in this appropriation shall be available to gather statistics and conduct a special study on the price spread between the farmer and the consumer: *Provided further*, That no part of the funds herein appropriated shall be available for any expense incident to ascertaining, collating, or publishing a report stating the intention of farmers as to the acreage to be planted in cotton, or for estimates of apple production for other than the commercial crop.

Marketing services: For services relating to agricultural marketing and distribution, for carrying out regulatory acts connected therewith, and for administration and coordination of payments to States; \$11,960,000, including not to exceed \$25,000 for employment at rates not to exceed \$100 per diem, pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U. S. C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), in carrying out section 201 (a) to 201 (d), inclusive, of title II of the Agricultural Adjustment Act of 1938 (7 U. S. C. 1291) and section 203 (j) of the Agricultural Marketing Act of 1946.

58 Stat. 742.
60 Stat. 810.
52 Stat. 36.
60 Stat. 1088.
7 USC 1622.

PAYMENTS TO STATES, TERRITORIES, AND POSSESSIONS

For payments to departments of agriculture, bureaus and departments of markets and similar agencies for marketing activities under section 204 (b) of the Agricultural Marketing Act of 1946 (7 U. S. C. 1623 (b)), \$1,000,000.

60 Stat. 1089.

SCHOOL LUNCH PROGRAM

For necessary expenses to carry out the provisions of the National School Lunch Act (42 U. S. C. 1751-1760), \$83,236,197: *Provided*, That no part of this appropriation shall be used for nonfood assistance under section 5 of said Act.

60 Stat. 230.
42 USC 1754.

FOREIGN AGRICULTURAL SERVICE

For necessary expenses for the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954 (Public Law 690, approved August 28, 1954), and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed \$20,000 for representation allowances, \$3,365,000: *Provided*, That not less than \$250,000 of the funds contained in this appropriation shall be available to obtain statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis.

68 Stat. 897.
7 USC 1741
note.

COMMODITY EXCHANGE AUTHORITY

For necessary expenses to carry into effect the provisions of the Commodity Exchange Act, as amended (7 U. S. C. 1-17a), \$698,000.

49 Stat. 1491.

COMMODITY STABILIZATION SERVICE

AGRICULTURAL ADJUSTMENT PROGRAMS

For necessary expenses to formulate and carry out acreage allotment and marketing quota programs pursuant to provisions of title III of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1301-1393), \$39,000,000, of which not more than \$6,000,000 shall be transferred to the appropriation account "Administrative expenses, section 392, Agricultural Adjustment Act of 1938".

52 Stat. 38.
7 USC 1392.

SUGAR ACT PROGRAM

- 61 Stat. 922. For necessary expenses to carry into effect the provisions of the Sugar Act of 1948 (7 U. S. C. 1101-1160), \$59,600,000, to remain available until June 30 of the next succeeding fiscal year: *Provided*, That expenditures (including transfers) from this appropriation for other than payments to sugar producers shall not exceed \$1,575,000.

FEDERAL CROP INSURANCE CORPORATION

For operating and administrative expenses, \$6,000,000.

RURAL ELECTRIFICATION ADMINISTRATION

- 49 Stat. 1363. To carry into effect the provisions of the Rural Electrification Act of 1936, as amended (7 U. S. C. 901-924), as follows:

LOAN AUTHORIZATIONS

- 7 USC 907,903. For loans in accordance with said Act, and for carrying out the provisions of section 7 thereof, to be borrowed from the Secretary of the Treasury in accordance with the provisions of section 3 (a) of said Act as follows: Rural electrification program, \$160,000,000; and rural telephone program, \$75,000,000; and additional amounts, not to exceed \$100,000,000 for the rural electrification program, may be borrowed under the same terms and conditions to the extent that such additional amounts are required during the fiscal year 1956, under the then existing conditions, for the expeditious and orderly development of the program.

SALARIES AND EXPENSES

- 58 Stat. 742. For administrative expenses, including not to exceed \$500 for financial and credit reports, and not to exceed \$150,000 for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U. S. C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), \$7,680,000.

FARMERS' HOME ADMINISTRATION

- 50 Stat. 522. To carry into effect the provisions of titles I, II, and the related provisions of title IV of the Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C. 1000-1031); the Farmers' Home Administration Act of 1946 (7 U. S. C. 1001, note; 31 U. S. C. 82h; 12 U. S. C. 371; 35 D. C. Code 535; 60 Stat. 1062-1080); the Act of July 30, 1946 (40 U. S. C. 436-439); the Act of August 28, 1937, as amended (16 U. S. C. 590r-590x-3), for the development of facilities for water storage and utilization in the arid and semiarid areas of the United States; the provisions of title V of the Housing Act of 1949 (42 U. S. C. 1471-1483), as amended by the Housing Act of 1952 (Public Law 531, approved July 14, 1952), relating to financial assistance for farm housing; the Rural Rehabilitation Corporation Trust Liquidation Act, approved May 3, 1950 (40 U. S. C. 440-444); the items "Loans to farmers, 1948 flood damage" in the Act of June 25, 1948 (62 Stat. 1038), and "Loans to farmers, property damage" in the Act of May 24, 1949 (63 Stat. 82); the collecting and servicing of credit sales and development accounts in water conservation and utilization projects (53 Stat. 685, 719), as amended and supplemented (16 U. S. C. 590y, z1 and z10); and the Act to direct the Secretary of Agriculture to
- 60 Stat. 711.
50 Stat. 869;
68 Stat. 735.
63 Stat. 432.
66 Stat. 604.
64 Stat. 98.
53 Stat. 1418;
54 Stat. 1125.

convey certain mineral interests, approved September 6, 1950 (7 U. S. C. 1033-1039), as follows:

64 Stat. 769.

LOAN AUTHORIZATIONS

For loans (including payments in lieu of taxes and taxes under section 50 of the Bankhead-Jones Farm Tenant Act, as amended, and advances incident to the acquisition and preservation of security of obligations under the foregoing several authorities) : Title I and section 43 of title IV of the Bankhead-Jones Farm Tenant Act, as amended, \$19,000,000, of which not to exceed \$5,000,000 may be distributed to States and Territories without regard to farm population and prevalence of tenancy, in addition to the amount otherwise distributed thereto, for loans in reclamation projects and to entrymen on unpatented public land; title II of the Bankhead-Jones Farm Tenant Act, as amended, \$122,500,000; the Act of August 28, 1937, as amended, \$11,500,000: *Provided*, That not to exceed the foregoing several amounts shall be borrowed in one account from the Secretary of the Treasury in accordance with the provisions set forth under this head the Department of Agriculture Appropriation Act, 1952.

50 Stat. 531.

50 Stat. 522, 530.

7 USC 1001-1006, 1017.

50 Stat. 524.

7 USC 1007-1009.

50 Stat. 869;

68 Stat. 735.

16 USC 590r-

590x-3 .

65 Stat. 240.

SALARIES AND EXPENSES

For making, servicing, and collecting loans and insured mortgages, the servicing and collecting of loans made under prior authority, the liquidation of assets transferred to Farmers' Home Administration, and other administrative expenses, \$24,500,000, together with a transfer of not to exceed \$450,000 of the fees and administrative expense charges made available by subsections (d) and (e) of section 12 of the Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C. 1005 (b)), and section 10 (c) of the Act of August 28, 1937, as amended.

7 USC 1005b.

68 Stat. 736.

16 USC 590x-3.

OFFICE OF THE GENERAL COUNSEL

For necessary expenses, including payment of fees or dues for the use of law libraries by attorneys in the field service, \$2,100,000, together with such amounts from other appropriations or authorizations as are provided in the schedules in the budget for the current fiscal year for such expenses, which several amounts not exceeding a total of \$375,000 shall be transferred to and made a part of this appropriation.

OFFICE OF THE SECRETARY

For expenses of the Office of the Secretary of Agriculture, including the purchase of one passenger motor vehicle for replacement only; expenses of the National Agricultural Advisory Commission; stationery, supplies, materials, and equipment; freight, express, and drayage charges; advertising of bids, communication service, postage, washing towels, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture; \$2,144,300, together with such amounts from other appropriations or authorizations as are provided in the schedules in the budget for the current fiscal year for such services and expenses, which several amounts or portions thereof, as may be determined by the Secretary, not exceeding a total of \$84,280, shall be transferred to and made a part of this appropriation.

OFFICE OF INFORMATION

For necessary expenses of the Office of Information for the dissemination of agricultural information and the coordination of informational work and programs authorized by Congress in the Department, \$1,238,000, together with such amounts from other appropriations or authorizations as are provided in the schedules in the budget for the current fiscal year for such expenses, which several amounts not exceeding a total of \$16,014 shall be transferred to and made a part of this appropriation, of which total appropriation not to exceed \$537,000 may be used for farmers' bulletins, which shall be adapted to the interests of the people of the different sections of the country, an equal proportion of four-fifths of which shall be delivered to or sent out under the addressed franks furnished by the Senators, Representatives, and Delegates in Congress, as they shall direct (7 U. S. C. 417) and not less than two hundred thirty thousand eight hundred and fifty copies for the use of the Senate and House of Representatives of part 2 of the annual report of the Secretary (known as the Yearbook of Agriculture) as authorized by section 73 of the Act of January 12, 1895 (44 U. S. C. 241): *Provided*, That in the preparation of motion pictures or exhibits by the Department, not exceeding a total of \$10,000 may be used for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U. S. C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a): *Provided further*, That no part of this appropriation shall be used for the establishment or maintenance of regional or State field offices, or for the compensation of employees in such offices.

34 Stat. 690.

Yearbook of
Agriculture.

28 Stat. 612.

Motion pic-
tures, etc.

58 Stat. 742.

60 Stat. 810.

LIBRARY

For necessary expenses, including dues for library membership in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members, \$659,950.

TITLE II—CORPORATIONS

The following corporations and agencies are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the fiscal year 1956 for such corporation or agency, except as hereinafter provided:

61 Stat. 584.

31 USC 849.

Federal Crop Insurance Corporation: *Provided*, That the direct costs of loss adjusters for crop inspections and loss adjustments may be considered as nonadministrative or nonoperating expenses: *Provided further*, That not to exceed \$1,500,000 of administrative and operating expenses may be paid from premium income.

COMMODITY CREDIT CORPORATION

RESTORATION OF CAPITAL IMPAIRMENT

To restore the capital impairment of the Commodity Credit Corporation determined by the appraisal of June 30, 1954, pursuant to section 1 of the Act of March 8, 1938, as amended (15 U. S. C. 713a-1), \$1,634,659.

52 Stat. 107.

LIMITATION ON ADMINISTRATIVE EXPENSES

Nothing in this Act shall be so construed as to prevent the Commodity Credit Corporation from carrying out any activity or any program authorized by law: *Provided*, That not to exceed \$26,000,000 shall be available for administrative expenses of the Corporation: *Provided further*, That \$1,000,000 of this authorization shall be available only to expand and strengthen the sales program of the Corporation pursuant to authority contained in the Corporation's charter: *Provided further*, That \$934,914 of this authorization shall be placed in reserve to be apportioned pursuant to section 3679 of the Revised Statutes, as amended, for use only in such amounts and at such time as may become necessary to carry out program operations: *Provided further*, That all necessary expenses (including legal and special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Corporation or in which it has an interest, including expenses of collections of pledged collateral, shall be considered as nonadministrative expenses for the purposes hereof. ^{31 USC 665.}

TITLE III—SPECIAL ACTIVITIES

RESEARCH ON STRATEGIC AND CRITICAL AGRICULTURAL MATERIALS

For expenses necessary to carry out section 7 (b) of the Strategic and Critical Materials Stock Piling Act of July 23, 1946 (50 U. S. C. 93f), \$300,000: *Provided*, That this appropriation shall be subject to applicable provisions contained in the item "Salaries and expenses, Agricultural Research Service". ^{60 Stat. 600.}

REPAYMENT TO COMMODITY CREDIT CORPORATION FOR ERADICATION OF FOOT-AND-MOUTH AND OTHER CONTAGIOUS DISEASES OF ANIMALS AND POULTRY

For reimbursement to Commodity Credit Corporation for sums transferred to the appropriation "Eradication of foot-and-mouth and other contagious diseases of animals and poultry", fiscal year 1954 (including interest thereon through June 30, 1955), pursuant to authority contained under such head in the Department of Agriculture Appropriation Act, 1954, \$5,788,897. ^{68 Stat. 305.}

INTERNATIONAL WHEAT AGREEMENT

To discharge indebtedness of the Commodity Credit Corporation to the Secretary of the Treasury for the net costs during the fiscal year 1954 (including interest thereon through June 30, 1955) under the International Wheat Agreement Act of 1949, as amended (7 U. S. C. 1641-1642), \$57,378,551. ^{63 Stat. 945.}

REIMBURSEMENT TO COMMODITY CREDIT CORPORATION FOR TRANSFER OF WHEAT TO PAKISTAN

To reimburse the Commodity Credit Corporation for its investment (including costs of handling, delivery, and interest through June 30, 1955) in wheat transferred to the Government of Pakistan under the Act of June 25, 1953 (67 Stat. 80), \$69,385,831. ^{22 USC 1702 note.}

REIMBURSEMENT TO COMMODITY CREDIT CORPORATION FOR EMERGENCY
FEED ASSISTANCE

To reimburse the Commodity Credit Corporation for losses representing the difference between the value of feed furnished farmers and stockmen in disaster areas and sales price received by the Corporation, \$42,100,000.

REIMBURSEMENT TO COMMODITY CREDIT CORPORATION FOR EMERGENCY
FAMINE RELIEF TO FRIENDLY PEOPLES

To reimburse the Commodity Credit Corporation for its investment (including costs of handling, delivery, and interest through June 30, 1955) in commodities disposed of under the Act of August 7, 1953 (67 Stat. 476), \$9,545,830.

22 USC 1651
note.

TITLE IV—FARM CREDIT ADMINISTRATION

56 Stat. 999. Not to exceed \$2,320,000 (from assessments collected from farm credit agencies) shall be obligated during the current fiscal year for administrative expenses, including \$3,500 for the purchase and installation of air-conditioning equipment (40 U. S. C. 317).

48 Stat. 344. Federal Farm Mortgage Corporation: Not to exceed \$550,000 (to be computed on an accrual basis) of the funds of the Corporation shall be available for administrative expenses, including employment on a contract or fee basis of persons, firms, and corporations for the performance of special services, including legal services, and the use of the services and facilities of Federal land banks, national farm loan associations, Federal Reserve banks, and agencies of the Government as authorized by the Act of January 31, 1934 (12 U. S. C. 1020-1020h); and said total sum shall be exclusive of services and facilities furnished and examinations made by the Farm Credit Administration, interest expense, and expenses in connection with the acquisition, operation, maintenance, improvement, protection, or disposition of real or personal property belonging to the Corporation or in which it has an interest: *Provided*, That promptly after June 30 of each fiscal year all cash funds in excess of the estimated operating requirements for the current fiscal year shall be declared as dividends and paid into the general fund of the Treasury: *Provided further*, That the aggregate amount of bonds the Corporation may issue and have outstanding at any one time shall not exceed \$500,000,000.

Federal intermediate credit banks: Not to exceed \$1,825,000 (to be computed on an accrual basis) of the funds of the banks shall be available for administrative expenses and services performed for the banks by other Government agencies (except services and facilities furnished and examinations made by the Farm Credit Administration, and services performed by any Federal Reserve bank and by the United States Treasury in connection with the financial transactions of the banks); and said total sum shall be exclusive of interest expense, legal and special services performed on a contract or fee basis, and expenses in connection with the acquisition, operation, maintenance, improvement, protection, or disposition of real or personal property belonging to the banks or in which they have an interest.

Production credit corporations: Not to exceed \$1,595,000 (to be computed on an accrual basis) of the funds of the corporations shall be available for administrative expenses, including the purchase of not to exceed six passenger motor vehicles for replacement only, and services performed for the corporations by other Government agencies (except services and facilities furnished and examinations made by

the Farm Credit Administration); and said total sum shall be exclusive of interest expense, legal and special services performed on a contract or fee basis, and expenses in connection with the acquisition, operation, maintenance, improvement, protection, or disposition of real or personal property belonging to the corporations or in which they have an interest.

TITLE V—GENERAL PROVISIONS

SEC. 501. Within the unit limit of cost fixed by law, the lump-sum appropriations and authorizations made for the Department under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed 535 passenger motor vehicles for replacement only, and for the hire of such vehicles, necessary in the conduct of the work of the Department outside the District of Columbia.

SEC. 502. Provisions of law prohibiting or restricting the employment of aliens shall not apply to (1) the temporary employment of translators when competent citizen translators are not available; (2) employment in cases of emergency of persons in the field service of the Department for periods of not more than sixty days; and (3) employment under the appropriation for the Foreign Agricultural Service.

SEC. 503. Of appropriations herein made which are available for the purchase of lands, not to exceed \$1 may be expended for each option to purchase any particular tract or tracts of land.

SEC. 504. No part of the funds appropriated by this Act shall be used for the payment of any officer or employee of the Department who, as such officer or employee, or on behalf of the Department or any division, commission, or bureau thereof, issues, or causes to be issued, any prediction, oral or written, or forecast, except as to damage threatened or caused by insects and pests, with respect to future prices of cotton or the trend of same.

SEC. 505. Except to provide materials required in or incident to research and experimental work where no suitable domestic product is available, no part of the funds appropriated by this Act shall be expended in the purchase of twine manufactured from commodities or materials produced outside of the United States.

SEC. 506. Not less than \$1,500,000 of the appropriations of the Department for research and service work authorized by the Act of August 14, 1946 (7 U. S. C. 427, 1621-1629), and the Act of July 28, 1954 (Public Law 545), shall be available for contracting in accordance with said Acts.

SEC. 507. No part of any appropriation contained in this Act, or of the funds available for expenditure by any corporation included in this Act, shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force

All 69 Stat. 64.

Penalty.

or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation or fund contained in this Act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law: *Provided further*, That nothing in this section shall be construed to require an affidavit from any person employed for less than sixty days for sudden emergency work involving the loss of human life or destruction of property, the payment of salary or wages may be made to such persons from applicable appropriations for services rendered in such emergency without execution of the affidavit contemplated by this section.

Publicity or
propaganda

SEC. 508. No part of any appropriation contained in this Act or of the funds available for expenditure by any corporation or agency included in this Act shall be used for publicity or propaganda purposes to support or defeat legislation pending before the Congress.

Research and
service work.
60 Stat. 1082,
1087.

SEC. 509. Appropriations of the Department available for research and service work authorized by the Act of August 14, 1946 (7 U. S. C. 427; 7 U. S. C. 1621-1629) shall be available for expenses of any advisory committee established as provided in title III of said Act to assist in effectuating the research and service work of the Department.

Short title.

This Act may be cited as the "Department of Agriculture and Farm Credit Administration Appropriation Act, 1956".

Approved May 23, 1955.

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